



PLANNING COMMISSION AGENDA

December 11, 2024 at 6:00 PM

Wilsonville City Hall & Remote Video Conferencing

PARTICIPANTS MAY ATTEND THE MEETING AT:

City Hall, 29799 SW Town Center Loop East, Wilsonville, Oregon

YouTube: <https://youtube.com/c/CityofWilsonvilleOR>

Zoom: <https://us02web.zoom.us/j/87239032604>

TO PROVIDE PUBLIC TESTIMONY:

Individuals may submit a testimony card online:

<https://www.ci.wilsonville.or.us/PC-SpeakerCard>

or via email to Dan Pauly: Pauly@ci.wilsonville.or.us, 503-570-1536

by 2:00 PM on the date of the meeting noting the agenda item

for which testimony is being submitted in the subject line.

INFORMAL RESOURCE FAIR [5:30 PM]

Housing Cost Burden Open House (In-person at City Hall only)

COMMITTEE FOR CITIZEN INVOLVEMENT WORK SESSION [6:00 PM]

- [1.](#) Housing Cost Burden (Rybold)(60 Minutes)

CALL TO ORDER - ROLL CALL [7:00 PM]

Matt Constantine	Sam Scull
Ron Heberlein	Yana Semenova
Nicole Hendrix	Jennifer Willard
Andrew Karr	

PLEDGE OF ALLEGIANCE

CITIZEN INPUT

This is the time that citizens have the opportunity to address the Planning Commission regarding any item that is not already scheduled for a formal Public Hearing tonight. Therefore, if any member of the audience would like to speak about any Work Session item or any other matter of concern, please raise your hand so that we may hear from you now.

ADMINISTRATIVE MATTERS

- [2.](#) Consideration of the November 13, 2024 Planning Commission minutes

WORK SESSION [7:10 PM]

- [3.](#) Wilsonville Industrial Land Readiness (Basalt Creek) (Luxhoj)(45 Minutes)
- [4.](#) CFEC Parking (Pauly)(30 Minutes)

INFORMATIONAL [8:25 PM]

- [5.](#) Frog Pond East and South Infrastructure Funding Plan (Pauly)(15 Minutes)
- [6.](#) City Council Action Minutes (November 18, 2024)(No staff presentation)
- [7.](#) 2025 PC Work Program (No staff presentation)

ADJOURN [8:45 PM]

Time frames for agenda items are not time certain (i.e. agenda items may be considered earlier than indicated). The City will endeavor to provide the following services, without cost, if requested at least 48 hours prior to the meeting by contacting Mandi Simmons, Administrative Assistant at 503-682-4960: assistive listening devices (ALD), sign language interpreter, and/or bilingual interpreter. Those who need accessibility assistance can contact the City by phone through the Federal Information Relay Service at 1-800-877-8339 for TTY/Voice communication.

Habr  interpretes disponibles para aqu llas personas que no hablan Ingl s, previo acuerdo. Comun quese al 503-682-4960.



PLANNING COMMISSION

WEDNESDAY, DECEMBER 11, 2024

COMMITTEE FOR CITIZEN INVOLVEMENT WORK SESSION

1. Housing Cost Burden (Rybold)(60 Minutes)

***materials will be presented at the meeting**



PLANNING COMMISSION

WEDNESDAY, DECEMBER 11, 2024

ADMINISTRATIVE MATTERS

2. Consideration of the November 13, 2024 PC Meeting Minutes



**Wilsonville Planning Commission
Regular Meeting Minutes
November 13, 2024**

Wilsonville City Hall & Remote Video Conferencing
<https://www.ci.wilsonville.or.us/meetings/pc>

CALL TO ORDER - ROLL CALL

Vice Chair Heberlein called the meeting to order at 6:00 pm.

Present: Ron Heberlein, Yana Semenova, Jennifer Willard, Sam Scull, and Nicole Hendrix

Excused: Andrew Karr and Matt Constantine

Staff Present: Daniel Pauly, Amanda Guile-Hinman, Kimberly Rybold, Kerry Rappold, Miranda Bateschell, and Mandi Simmons

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

CITIZEN INPUT

There was none.

ADMINISTRATIVE MATTERS

1. Consideration of the October 9, 2024 Planning Commission Minutes
The October 9, 2024 Planning Commission minutes were accepted as presented.

WORK SESSION

2. Housing Our Future (Rybold)

Comments received from Chair Andrew Karr via email dated November 12, 2024, are attached.

Daniel Pauly, Planning Manager, noted the importance of the conversation on housing solutions, which would continue over the next few months.

Kimberly Rybold, Senior Planner, Housing Our Future Project Manager, reminded about the Planning Commission's joint work session held in July 2024 with City Council on the Housing Needs and Capacity Analysis (HNCA), which would be finalized in early 2025. Since July, the Housing Our Future Task Force had also been meeting to discuss strategies to meet the city's housing needs identified over the next 20 years, which was the Housing Production Strategy (HPS) part of the Housing Our Future Project.

- This work session's primary focus was to consider the Task Force's potential actions to meet future housing needs and discuss contextualized housing needs based on interviews and public outreach to provide a more nuanced understanding of future housing needs.
- The Commission's feedback would prioritize potential actions to help focus and direct the City's resources to best address future housing needs.

Beth Goodman and **Nicole Underwood, ECONorthwest**, presented the Wilsonville HPS via PowerPoint, reviewing the HPS project schedule and six-year action plan process, as well as the completed and planned public engagement plans. Also presented were statistics related to understanding the city's unmet housing needs (Slides 6-10), a city's role in influencing housing development, existing strategies in Wilsonville, and feedback from the Task Force on actions recommended for further consideration (Slide 14) and those not recommended for inclusion in the HPS (Slide 15).

- Questions for discussion centered on receiving feedback from the Commission about land use related actions and how they relate to needed housing, as well as what information the Commission would like to learn more about. (Slides 16-18)

Senior Planner Rybold noted next steps included a City Council work session in December 2024, reminding the project team sought the Commission's feedback given its expertise in Development Code and the Comprehensive Plan to inform City Council in determining which actions to include in the HPS. Additional ideas to add to the discussion were also welcome.

- She noted the actions recommended for further discussion (Slide 15) regarded funding and Staff resources, which may or may not be critical to implementing the HPS actions.

Ms. Goodman noted the City already had a tax exemption for low-income affordable housing, and described how Action J would explore potential property tax exemptions for multi-family rental housing and new residential development to make rental and home ownership more affordable for lower income households. (Slide 15)

Feedback from the Commission regarding the actions on Slides 15 and 14 was as follows with responses to Commissioner questions as noted:

Actions not recommended for inclusion in the HPS. (Slide 15)

- Differentiating between actions not truly recommended and actions the City would want to pursue if the capacity was available was difficult. For example, Action C regarding live-work and business accessory units would not cost the City extra to support.
 - **Senior Planner Rybold** explained the Task Force's reasoning for recommending and not recommending certain actions, noting in some cases, having the County be the lead resource for an action seemed more appropriate and some actions were not particularly discussed, while other actions, like Action D, the Task Force did not seem to know much about, so it was recommended for further discussion by the Planning Commission.

- The Planning Commission was encouraged to leave items on the list that deserved further consideration, share any compelling reasons to pull an action off the list, and ask questions as needed.
- **Ms. Goodman** provided examples and briefly described why the actions were not recommended for inclusion in the HPC.
- **Senior Planner Rybold** highlighted the current review process, noting State legislation over the years has pushed for more clear and objective standards. Conversations at the State level supported approving applications based on meeting clear and objective standards, which could speed up the review process, save money, lower the cost of housing, and create additional certainty.
 - The conversation around Action D was if the City's current clear and objective standards were met, an application should be approved, so why require a public hearing process when nothing discretionary had to be considered?
 - While uncertain about future legislation around approving applications based on meeting criteria, the matter would continue to be raised. Action D would evaluate what the City could do from a procedural standpoint to help reduce housing development costs.
- During Development Review Board (DRB) hearings, allowing public comment seemed to give people a false sense of hope that they could deny an application when it would be approved if the clear and objective standards were met.
 - It was challenging when the public felt like there was an opportunity to make a change when that was not the case and approval was solely based on whether the standards were met.
 - Action D seemed like low-hanging fruit and addressing it with existing Staff seemed feasible. While not a high priority, it could be done quickly, saving Staff time in the long run, and perhaps allowing other actions on the list to be addressed.
- There was consensus that Action D be considered for further discussion and inclusion in the HPS.
- **Ms. Goodman** confirmed that other agencies provide rental assistance (Action M), and some cities have considered providing rental assistance on their own. There was a nearly infinite need for rental assistance.
 - The City's ability to implement Action M would be highly dependent on the City having enough money to offer rental assistance.
 - She did not know about any limits on the amount or length of time rental assistance could be received as long as funds were available. She believed there was a standardized amount of rental assistance a household could apply for based on income, so lower-income households would likely be eligible.
- Given the two sides to the housing issue: building new housing and addressing rental housing, it may be helpful to create separate plans to address both sides of the equation.
 - **Ms. Goodman** replied the HPS actions could be organized based on whether the action addressed developing new housing or existing housing issues, such as housing stability. The HPS would address both sides of the issue.

- While no one action was a silver bullet, the actions would build on each other as they were implemented, such land banking, working with community land trusts, scaling system development charges (SDCs) to different unit sizes (Slide 14) and having a different administrative review process for residential development.
- The HPS actions would also build on the City's existing policies.
- Support was expressed for considering Action C as it provided opportunities for small businesses and for being able to defray costs, while not costing the City much to implement Code changes to support live-work and business accessory units.
- **Senior Planner Rybold** confirmed the feedback received via email from Chair Karr would be included with the Commission's comments, noting his top actions were reflected in the actions proposed for further consideration. Chair Karr's email would also be attached to the meeting minutes. (See attachment)
- **Ms. Goodman** noted City Council would receive a brief memorandum summarizing the feedback from the Task Force and Planning Commission regarding each action and would include Chair Karr's comments.

Actions recommended for further consideration (Slide 14)

- Support was expressed for Action E as many apartments in the city were around 20 years old, and a majority were a mess due to structural issues, housekeeping, fire and safety issues, mold, etc. Having a City-based program that could partner with HOAs or other organizations to keep homes safe and in order for the renters would be valuable.
 - **Ms. Goodman** explained Action E mainly regarded the physical condition of the structures, while Action U regarding a tenant protection program (Slide 15) considered more people-based actions, enabling people to get help from the City with compliance testing for fair housing, working with landlords to help resolve issues, etc.
 - Implementing a rental inspection program or tenant protection program would require additional Staff capacity.
- **Ms. Goodman** explained how a community land trust (CLT) worked to promote development of affordable housing, long-term affordability (Action H) and how the City could partner with a CLT to help households get into home ownership. The purpose of a CLT was to ensure housing stayed affordable over a 50- to 100-year period.
 - The CLTs only applied to home ownership units. The City was taking similar actions to support affordable renting at the Transit Center property.
 - **Senior Planner Rybold** clarified the CLT worked to create affordable home ownership opportunities whether through new construction or purchasing existing units. Some partner CLTs operate in the area, and the goal was to further establish those partnerships and look for opportunities to promote affordable homeownership in Wilsonville.
- **Ms. Goodman** clarified variety of housing types in Action B was different from what already existed in the City as it looked at ~~more~~ possibly establishing a mix of housing requirements, like those in Frog Pond East and South, and applying them over a larger area, possibly the entire city. Development of prefabricated or modular homes could also be incentivized.

- **Ms. Goodman** confirmed Action A was about vacant land and not about repurposing existing Industrial or Commercial vacant structures.
- **Senior Planner Rybold** added that as written, Action A was about looking at land-use and straddled both the Comprehensive Plan designations as well as applicable Development Code regulations to address the underlying zoning of buildings, and the uses allowed in them.
 - Action A essentially addressed where certain uses exist or would be allowed and whether opportunities exist potentially for additional housing.
 - Questions about the need for employment space balancing and interrelating with housing needs could be considered together during the Comprehensive Plan process required to implement Action A, whether specific to the policy or as part of a Comprehensive Plan update.
 - Staff was open to amending verbiage like “redesignating” for added specificity as using various words had been discussed.
 - If the Commission believed both buildings and raw vacant land should be evaluated in Action A, Staff wanted to reflect that point and would consider how that would fit, since the action was so policy and land-use heavy.
- Adding buildings to Action A seemed important as a lot of questions were being asked about why the City was not using some of the vacant commercial or retail buildings to solve some of the housing problems.
 - **Senior Planner Rybold** explained that when scoping out whether the reuse of an existing building was feasible, elements such as design standards, Building Code, and livability, etc. had to be considered. Approving the actions did not involve actually scoping out the projects. The HPS would provide a list of steps for how to approach solutions, and key questions were a helpful part of the current process. Hearing feedback on considering structures rather than being limited to land in Action A for housing solutions was helpful.
- Support was expressed for adding buildings to Action A.
- A fundamental assessment was suggested to determine if the land mix within Wilsonville was appropriate to support businesses and housing or if the percentage of commercial land was higher than would be needed based on expected population growth. The analysis could help drive redesignating the land and/or buildings to support additional housing growth.
 - **Ms. Goodman** replied the City would be engaging in a study looking at Wilsonville’s commercial and industrial land needs.
 - **Senior Planner Rybold** added the second phase of the Wilsonville Industrial Land Readiness (WILR) Project included an Economic Opportunity Analysis (EOA), which was the commercial/industrial side of this housing work. Actions in the HPS were not intended to operate in a bubble, but would acknowledge and consider other work related to land and building. After receiving the output of the HPS project and EOA, the City would be positioned to consider a Comprehensive Plan update more thoroughly.
 - If included in the HPS, the City would likely implement Action A through a more holistic look at the Comprehensive Plan rather than as its own project without other land use factors.

- Considering the historical projected growth of commercial or residential needs, and which outpaced the other, could be helpful. The city was founded with goals to be an attractive location for industry given its proximity to the interstate.
 - **Ms. Goodman** noted decision makers in other cities hoped for an ideal distribution of land between housing and commercial development, but every city was unique and looking at the City's projected future needs was better than trying to come to some ideal mix, which may not exist.
- While Action F seemed logical, the Commission received a lot of mixed feedback regarding SDCs, with developers saying the SDCs were high, and Staff being able to justify why a particular development had higher SDCs. Understanding more about SDCs, whether it was useful in developing additional housing would be beneficial.
 - **Ms. Goodman** stated much of the need was for smaller and less expensive units and scaling the SDCs to unit size would incentivize building smaller units.
- Support was expressed for the Task Force's recommended actions list.
- Public land disposition seemed easier to accomplish than the other two items in Action G, so why were they grouped together?
 - **Ms. Goodman** explained public land disposition was using land already acquired by the City rather than land the City purposefully purchased and assembled for a specific use. She gave the example of having an urban renewal district where Planning would use some of the funding for parcel assembly, which provided a funding source and expectations regarding the type of housing that would be created. In this case, land banking and parcel assembly made sense.
 - Land banking did not imply buying land and then waiting for 30 years to develop it. Land banking was owning land, deciding what the City wanted to happen on the land, and issuing a request for proposals (RFP) to do the work, which put the City in a powerful position.
- With SDCs and urban renewal as options, what was the benefit of Action Q?
 - **Ms. Goodman** explained some areas did not have the infrastructure needed and could receive funding through lobbying for state or federal funds, and then if more funding was needed, a local improvement district (LID) could be created. Action Q would look for opportunities or solutions to develop vacant land that needed infrastructure to be developable. Basically, how could the City support infrastructure in the area using the amount of money the City had available.
 - **Senior Planner Rybold** noted Action Q was about being broad and more strategic. Infrastructure continued to increase in price, and often in developing new urban areas, cost became the consideration for the feasibility of the housing and/or the ultimate end product.
 - SDCs could be collected when new projects are added, but when reevaluating the SDC formula, SDCs could increase, resulting in increases in housing costs.
 - Action Q was about flexibility in continuing to see what funding sources were available. The State tried to address this through revolving loan programs, and there may be other sources the City was aware of yet. This action was rooted in being open-minded and creative. While SDCs and urban renewals have worked historically,

there was no guarantee that the City could rely on those two funding sources alone going forward.

- If Action Q was more focused on identifying and utilizing state and federal funding to help support infrastructure that would be supported.
- More information on how LIDs worked could be useful, as it seemed SDCs took a wider distribution of cost and spread it out, where a LID concentrated the costs into one area, which would not appear to make housing more affordable.
 - **Senior Planner Rybold** explained that LIDs could be used in a more targeted manner for very specific and localized improvements. For example, a LID could be used for a frontage improvement that affected only three properties but was a critical improvement despite not having a systemwide impact. The improvement would be supported by the development occurring on properties on which the improvement was happening as opposed to being dispersed across the city.
 - In certain circumstances, a LID was a better approach than adding another project to the SDC project list. When a lot of projects were on the list, there was a time component to SDCs where the City did not always have the funding immediately available when needed.
 - **Ms. Goodman** suggested this action could lead with federal and state funds, and then the other funding options could also be explored.
- **Vice Chair Heberlein** stated the actions on his priority list were Actions E, A, O, F, H, and G, noting Actions H and G seemed to go together.
- **Senior Planner Rybold** noted the Commission's next work session on the HPS would be when the HPS documents were drafted. She welcomed the Commission's input to help shape the conversation with City Council, especially regarding land-use items. Knowing why Commissioners felt strongly about including certain actions was helpful, so Staff could convey that reasoning to the City Council and Task Force.
- **Ms. Goodman** clarified that Action T referred to things like the Universal Design Standard or Lifelong Housing Certification which went beyond the Americans with Disabilities Act ADA, and were specific to a unit or housing structure, such as visitability, for instance, not having steps to go into a unit.
 - Accessible design was not about public access, only access to housing for people with disabilities.
- Action I, support preservation of affordable rental housing, was very important.
- In regard to Action K, had the City or County considered a sliding scale for property taxes to encourage/incentivize homeownership, as property taxes were often a significant part of the monthly payment.
 - **Senior Planner Rybold** explained the City had never pursued homebuyer assistance, but research could be done on other homebuyer assistance programs and whether a sliding scale was allowed, and such a program could be implemented in Wilsonville.
 - **Ms. Goodman** noted other cities, like Salem and John Day, used urban renewal to provide property tax relief in certain cases and it was very specific to the unit.

- **Commissioner Hendrix** noted that having the ability to access and stay in accessible housing and ensuring rentals were safe was her highest priority. (Action E) Housing safety included being climate ready with access to air conditioning, heat pumps, etc.
 - **Ms. Goodman** noted that fed into the idea of weatherization and weatherization programs.

INFORMATIONAL

3. Climate Action Plan (Rappold)

Kerry Rappold, Natural Resources Program Manager, presented the Climate Action Plan via PowerPoint, noting the project had started in August and that he would return with a consultant for further discussion with the Planning Commission when more specific strategies and actions were in place. His overview included the background and key steps in developing the Climate Action Plan; how climate change was addressed; the planning paradigm for the Plan's strategies and actions; the required analysis, technical modeling, and public engagement involved; and the anticipated project schedule. Information about the Climate Action Plan was on the Let's Talk Wilsonville website, along with a FAQ section and a community survey open to the public through the end of November.

Comments and feedback from the Commission were as follows:

- Starting to implement climate action changes internally first within the City and practicing what is preached to the community would be a good starting point.
- Middle school and high school students have a lot of passion around the climate, reaching out to schools and teachers to get input from students during public engagement might be worth it.
 - **Natural Resource Manager Rappold** responded the City currently already implemented some things through the Energy Education Squad working with the Energy Trust of Oregon. The City also recently developed a draft energy policy and was trying to model what should be done moving forward in addressing climate change.
- A future version of the Climate Action Plan should include water usage, and that water was not an unlimited resource, even when located along the Willamette River. The new pipeline going into Washington County should be a reminder of how blessed the City was to be next to the river.
 - Water usage would be an interesting goal for the City Council to consider.
 - **Natural Resource Manager Rappold** agreed water usage was important, especially considering the cost of supplying water to the community as well as the associated energy consumption.
- A lot of non-functional grass around the city requires a lot of maintenance with fuel to mow and water to keep the lawns green. Considering Code changes to help discourage non-functional grass would have positive benefits for a Climate Action Plan.
- The outreach plan should include getting middle school and high school students involved in the process of developing the Climate Action Plan, working through the issues, and coming

up with suggestions. Getting kids involved who were already passionate provided an opportunity to get their feet wet in civic service.

4. City Council Action Minutes (October 7 & 21, 2024) (No staff presentation)
5. 2024 & 2025 PC Work Program (No staff presentation)

Daniel Pauly, Planning Manager, stated details about the Rent Burden meeting tentatively scheduled prior to the Planning Commission's December meeting would be sent soon. He also reminded that the Frog Pond East and South Master Plan would go before City Council for adoption on Monday.

ADJOURNMENT

The meeting was adjourned at 7:40 p.m.

From: Drew Down 69 <drewdown69@gmail.com>
Sent: Tuesday, November 12, 2024 11:20 PM
To: Mandi Simmons <msimmons@ci.wilsonville.or.us>; Miranda Bateschell <bateschell@ci.wilsonville.or.us>; Daniel Pauly <pauly@ci.wilsonville.or.us>
Cc: Ron Heberlein <ronheberlein@gmail.com>
Subject: Re: November 13 2024 PC Packets now available!

Mandi, Miranda and Daniel,

Unfortunately, I just found out that I will be unable to attend tomorrow night's Planning Commission meeting as I am required to attend a work event from 6-9 pm here in Las Vegas.

Here are my thoughts:

Housing Our Future

- Nice write-up on the Executive Summary.
- EcoNorthwest was also a good write-up.
- My prioritization of Actions
 - A=4; B=2; C=5; D=1; E=14; F=3; G=6; H=15; I=13; J=12; K=11; L=18; M=17; N=16; O=20; P=19; Q=7; R=9; S=8; T=10; and U=21
- Comments on Action item A
 - How many lots would this impact?
 - As a city-wide change, can we standardize to streamline the process?
 - Cost by lot of impact of change
- Comments on Action Item B
 - For infill or new construction?
 - If infill, might have considerable pushback from surrounding residents
- Comments on Action Item C
 - Same concern as during Frog Pond discussion
 - If live-work takes away from ground floor commercial in mixed-use areas
- Comments on Action Item D
 - I agree (meet clear & objective standards)
 - Maybe beef up notices of impacted areas to reduce potential pushback
- Comments on Action Item S
 - Need more details or sample language for "Fair Housing as a Housing Policy"
- Comments on Action Item T
 - Define universal design and lifelong housing certification
 - What is the process?
 - Who defined this process?
 - What is the cost to developers?
- Other Action Items
- Comments on Action Items E, F, and G
 - Agree in concept

- Comments on Action Item H
 - How prevalent is this in the Portland Metro area?
- Comments on Action Item I
 - What is the overall potential impact to Build/Maintain ARH units?
 - How much is the current Federal subsidy?
- Comments on Action Item J
 - In essence a city subsidy for a specific time-period.
- Comments on Action Item K
 - Will need substantial funding pool sources
- Comments on Action Item L
 - Partnering with organizations like Rebuilding Together and others
 - What is the funding source
- Comments on Action Item M
 - This is a subsidy
 - What is the cost vs. Public Housing (HUD)?
- Comments on Action Item N
 - What is the total number of unhoused in Wilsonville?
 - What is the cost of this program per unhoused individual
- Comments on Action Item O
 - Not sure this is an appropriate use of URAs unless the area is "Blight" or needs redevelopment
- Comments on Action Item P
 - Only apply tax if not building affordable housing, what % of affordable housing gets this exclusion for the project?
- Comments on Action Item Q
 - Curious, need more details
- Comments on Action Item R
 - Acknowledge this need in concept
- Comments on Action Item U
 - Any existing public programs (state level) or non-profit that provide this?

Climate Action Plan

- Nice Executive Summary
- Questions
 - Do we consider funding during action plan creation or does that follow later.
- Inputs
 - It would be interesting to involve Wilsonville High School science classes into this engagement

Thank you very much for your work on these items.

Andrew Karr



PLANNING COMMISSION

WEDNESDAY, DECEMBER 11, 2024

WORK SESSION

3. Wilsonville Industrial Land Readiness (Basalt Creek) (Luxhoj)(45 Minutes)



PLANNING COMMISSION MEETING STAFF REPORT

Meeting Date: December 11, 2024		Subject: Wilsonville Industrial Land Readiness – Basalt Creek	
		Staff Member: Cindy Luxhoj AICP, Associate Planner, and Dan Pauly AICP, Planning Manager	
		Department: Community Development	
Action Required		Advisory Board/Commission Recommendation	
<input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda		<input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable Comments: N/A	
Staff Recommendation: Staff recommends Planning Commission provide requested input about the Wilsonville Industrial Land Readiness project.			
Recommended Language for Motion: N/A			
Project / Issue Relates To: Basalt Creek Concept Plan area			
<input checked="" type="checkbox"/> Council Goals/Priorities: Attract high-quality industry and support economic opportunity for all in Wilsonville	<input checked="" type="checkbox"/> Adopted Master Plan(s): Basalt Creek Concept Plan	<input type="checkbox"/> Not Applicable	

ISSUE BEFORE COMMISSION

Staff is seeking input from the Planning Commission on two draft work products for the Basalt Creek industrial area – the Buildable Lands Inventory and Site Suitability Analysis Memo and the Redevelopment Feasibility of Contractor Establishments Memo – as the City works on making the area development ready.

EXECUTIVE SUMMARY:

At the Planning Commission’s October 9, 2024, work session, staff presented the draft Economic Inventory and Land Use Analysis for the first phase of the Wilsonville Industrial Land Readiness (WILR) project. The first phase is focused on the Basalt Creek and West Railroad planning areas (henceforth referred to collectively as “Basalt Creek”) that are the subject of the Basalt Creek Concept Plan, jointly prepared with the City of Tualatin, and adopted by the City of Wilsonville in 2018. This first phase of the WILR project lays the foundation for moving the Concept Plan area to a development ready status, thus enabling the City to accept development applications for industrial projects and realizing the area’s economic development potential.

The project team has completed two additional draft work products: the Buildable Lands Inventory and Site Suitability Analysis Memo (Attachment 1), and the Redevelopment Feasibility of Contractor Establishments Memo (Attachment 2). At the work session, the project team will briefly discuss the preliminary findings of these two documents and seek feedback and guidance from Planning Commission.

Buildable Lands Inventory and Site Suitability Analysis

With regard to the draft Buildable Lands Inventory, Basalt Creek encompasses 453 acres in 85 tax lots of which 175 acres are currently in active use and considered developed, 127 acres are constrained by physical and environmental factors, and 150 acres are considered buildable and available for development. The supply is distributed across parcels of varying sizes, ranging from five to larger than 25 acres, providing a mix of options suitable for different industry needs. Thus, there is a promising opportunity to support a diverse range of industrial and employment uses that align with Wilsonville’s economic development goals. However, much of the overall land supply is being used as contractor establishments, as illustrated in Figure 3 of the Buildable Lands Inventory and Site Suitability Analysis Memo (page 6 of Attachment 1), which poses challenges for redevelopment to other industrial uses (as further described below).

The draft Site Suitability Analysis looks at the market competitiveness of three specific sites in Basalt Creek. The analysis focuses on the physical site characteristics, such as size, location, and constraints, rather than on the likelihood of redevelopment. It specifically examines the characteristics of the opportunity sites to assess their ability to support target industries should landowners choose to develop or redevelop their property. Preliminary findings of the draft Site Suitability Analysis include the following:

- **SW Greenhill:** This opportunity site includes 57 acres in 10 tax lots with two landowners, one owning 42 acres and the other 14 acres. With its minimal constraints, lack of development, and availability of existing infrastructure, this site is suited for cleantech, high-tech supply chains, advanced manufacturing industries, food processing, small warehousing and distribution, and industrial business parks or R&D campuses requiring medium-sized parcels.
- **Craft Industrial:** This opportunity site includes 32 acres in 7 tax lots, each individually owned and of generally even size. Due to significant constraints, the site is currently more

suitable for micro-industrial uses, such as live-work spaces, as originally identified in the Concept Plan. However, with site aggregation, the eastern portion could accommodate small-scale business or administrative services and production uses, similar to industrial condo developments like Commerce Circle Business Park or Riverwood Business Center. The presence of existing residences, including some high-value homes, is likely to delay redevelopment timelines compared to other opportunity sites.

- **West Railroad:** This opportunity site includes 165 acres in 15 tax lots with 8 landowners, one owning 65 acres, four with about 20 acres each, and three owning smaller parcels. The site offers development potential for general manufacturing, food processing, warehousing and distribution, and business services. However, significant infrastructure upgrades are required, and existing constraints may limit the scale of some types of development.

Redevelopment Feasibility of Contractor Establishments

Contractor establishments are properties characterized by small offices (often former residences), storage buildings, and laydown yards, that provide limited employment and lower property values compared with typical urbanized industrial land. Figure 3 in Attachment 1 (page 6) shows the current extent of contractor establishments in Basalt Creek. The draft analysis of contractor establishments highlights several ways this type of development impacts redevelopment efforts in the planning area. It raises critical questions about what conditions (e.g., market, ownership, site, zoning) are needed to promote and incentivize urban industrial development as envisioned in the Concept Plan. Preliminary findings include:

- **Current contractor establishments generate significant revenue with minimal effort or risk, reducing financial incentives for redevelopment.** Rents for existing contractor establishments, particularly those with buildings, are comparable to market rates for industrial and flex uses in the I-5 South Submarket. Therefore, for redevelopment to become financially feasible, market rents would need to rise by 60% to 100%, depending on site utilization and construction costs.
- **Owner-occupied properties are less likely to redevelop if the owner wants to maintain their business operations.** Redevelopment is difficult for owner-occupants, as they must consider relocation costs and potential increases in operational expenses. Limited regional industrial land supply could push these businesses to relocate further from their markets. Without substantial increases in land values or rents, redevelopment of these properties remains unlikely.
- **Achieving the City's development vision for Basalt Creek will require strategic interventions.** Potential approaches could include purchasing and aggregating properties to create development-ready parcels, subsidizing infrastructure costs, adjusting system development charges (SDCs), offering other development incentives, or other strategies yet to be identified.

Conclusion

The analyses and related findings are preliminary and will be refined through further analysis and additional discussion with the Planning Commission and City Council. Once the analyses are complete, they will all be synthesized into a comprehensive final report outlining key findings and recommendations.

The City Council was briefed and provided input at their December 2, 2024, meeting on similar materials to those presented to Planning Commission at this work session.

Following staff's presentation, input is requested from the Planning Commission in response to the questions below:

- What comments or direction does Planning Commission have in response to the Buildable Lands Inventory and Site Suitability Analysis Memo? Does this align with the vision for Basalt Creek? If surprising, what questions would help guide future decisions?
- What input does Planning Commission have on the Redevelopment Feasibility of Contractor Establishments Memo? Does the Commission want planning efforts to focus on accommodating and managing contractor establishments as industrial businesses or encouraging their relocation and redevelopment of the land?

EXPECTED RESULTS:

Feedback from Planning Commission on these draft documents will guide their completion, as well as guide other implementation items for the Basalt Creek and West Railroad planning areas, including drafting a package of proposed Code amendments, developing economic development strategies, and preparing an infrastructure funding plan.

TIMELINE:

Additional work sessions with the Planning Commission and City Council are anticipated in January through April 2025. Public hearings on related Development Code amendments are expected in mid-2025 with work on the infrastructure funding plan occurring throughout next year.

CURRENT YEAR BUDGET IMPACTS:

Funding for the first phase of the WILR project is allocated in the FY2024-25 Planning Division budget and, for the second phase, will be allocated in the FY2025-26 budget. The first phase is primarily funded by a \$100,000 grant from Business Oregon, with additional funding available, if needed, from a \$290,000 Metro grant, which also will fund the second project phase.

COMMUNITY INVOLVEMENT PROCESS:

The Basalt Creek Concept Plan review process included comprehensive community involvement to gather input. For the first phase of the WILR project, ECONorthwest focused on gathering input from Business Oregon, Greater Portland Inc., property owners, and developers, to understand demand for industrial land in Wilsonville as well as property owners' current and future plans for

their property. This informed the market, site suitability, and contractor establishment analyses and will be considered in determining appropriate zoning standards to apply and preparing needed Code amendments.

POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:

Adoption of appropriate zoning standards, creating an infrastructure funding plan, and identifying and pursuing economic development strategies will remove barriers to development and enable implementation of the Basalt Creek Concept Plan. When developed, Basalt Creek will create jobs, thus contributing to the income and property tax base, support economic mobility for residents through family-wage employment in a highly livable, full-service City, and enable this industrial area to reach its full economic potential, resulting in positive impacts on the greater Wilsonville community.

ALTERNATIVES:

As zoning standards, economic strategies, and an infrastructure funding plan are developed, a number of alternatives will be explored and developed with the Planning Commission and City Council.

ATTACHMENTS:

1. Draft Buildable Lands Inventory and Site Suitability Analysis Memo (November 20, 2024)
2. Draft Redevelopment Feasibility of Contractor Establishments Memo (November 20, 2024)

DATE: November 20, 2024
TO: City of Wilsonville
FROM: EConorthwest: Nicole Underwood, Bob Parker, and Barrett Lewis
SUBJECT: WILR Phase 1: BLI and Site Suitability Analysis - DRAFT

The cities of Tualatin and Wilsonville adopted the Basalt Creek Concept Plan (BCCP) in 2018 after a lengthy joint planning process. Now, in 2024-25, the City of Wilsonville is working to advance the Basalt Creek Planning Area (BCPA) beyond the concept plan to a development-ready status by designating zoning and refining infrastructure plans. However, since adoption of the BCCP, economic conditions at national, state, regional, and local levels have shifted significantly, and must now be considered.

To address these evolving conditions, the City hired EConorthwest to conduct a market assessment and industrial lands study focused on Wilsonville’s portion of the BCPA. The study began with an Economic Inventory, which reviewed current market trends and industries suitable for the area.

This memorandum addresses Task 3 in the Scope of Work: updating the **Buildable Lands Inventory (BLI)** for the BCPA and conducting a **Site Suitability Analysis** for key opportunity sites. The updated BLI reflects recent land developments, adjusted constraints, and revised capacity estimates.

The Site Suitability Analysis examines three selected “opportunity sites” within the BCPA, assessing their potential to support the target industries identified in the Economic Inventory. This analysis considers site attributes including size, location, access, topography, constraints, and surrounding land uses. It also considers infrastructure (transportation, water, sewer, stormwater) based on available data, with the understanding that infrastructure planning may evolve as work progresses.

Land Supply

This industrial Buildable Lands Inventory (BLI) updates the 2014 BLI from the original concept plan, providing a revised assessment of the buildable land *supply* available within Wilsonville's portion of the BCPA for employment-related growth and development. The amount of land needed to accommodate anticipated growth, often referred to as *demand* for land, depends on the type of employment-related development and other factors.

This BLI update serves two purposes: 1) to provide a revised assessment for developable acres in the BCPA, and 2) to identify lands that have existing economic uses but low improvement values and/or low-density employment. These uses are inconsistent with the development vision expressed in the BCCP and are sites that may have redevelopment potential.

The BCPA encompasses a total of 453 acres across 85 tax lots. Of this:

- **175 acres** are currently in active use and are considered developed.
- **127 acres** are constrained by physical or environmental factors.
- **150 acres** are considered buildable and available for development.

This section outlines the methodology used to develop the BLI and presents the results for Wilsonville's portion of the BCPA. ECONorthwest analyzed GIS data from the City of Wilsonville, Metro, and Washington County, with City staff reviewing the findings for accuracy and completeness.

Methodology

The buildable lands inventory followed a structured process to assess land status:

1. **Generate UGB “land base”:** ECONorthwest established a baseline of tax lots within Wilsonville’s portion of the BCPA designated for industrial and employment uses.
2. **Classify lands by development status:** The project team categorized parcels as vacant, partially vacant, or developed.
3. **Identify constraints:** ECONorthwest applied physical and regulatory constraints, such as wetlands and natural resource protections, to identify unbuildable portions.
4. **Verify inventory results:** City staff reviewed classifications and aerial imagery to confirm accuracy.
5. **Tabulate and map results:** The team compiled findings into tables and maps to provide a clear overview of buildable lands.

The following section summarizes the results of the industrial BLI for the BCPA, presented in tabular and map formats.

Land Base

The land base for the Buildable Lands Inventory (BLI) includes all tax lots within Wilsonville’s portion of the BCPA. Table 1 provides a breakdown of the land base by Wilsonville Comprehensive Plan designation within the BCPA.

Table 1. Employment Land Base by Wilsonville Comprehensive Plan Designation, BCPA, 2024

Plan Designation	Number of Tax Lots	Percent	Total Tax Lot Acreage	Percent (Total Acreage)
Industrial	63	74%	237	52%
Undesignated	22	26%	215	48%
Total	85	100%	453	100%

Source: EConorthwest analysis, City of Wilsonville, Clackamas County, Washington County, Metro

Development Status Classification

Table 2 displays the total acres of tax lots, categorized based on whether land is buildable. EConorthwest applied a rule-based classification of vacant, partially vacant, or developed to determine the initial development status and verified the results through reviews by City staff. These reviews incorporated local knowledge and analyses of aerial maps.

Table 2. Employment Acres by Classification and Wilsonville Comprehensive Plan Designation, BCPA, 2024

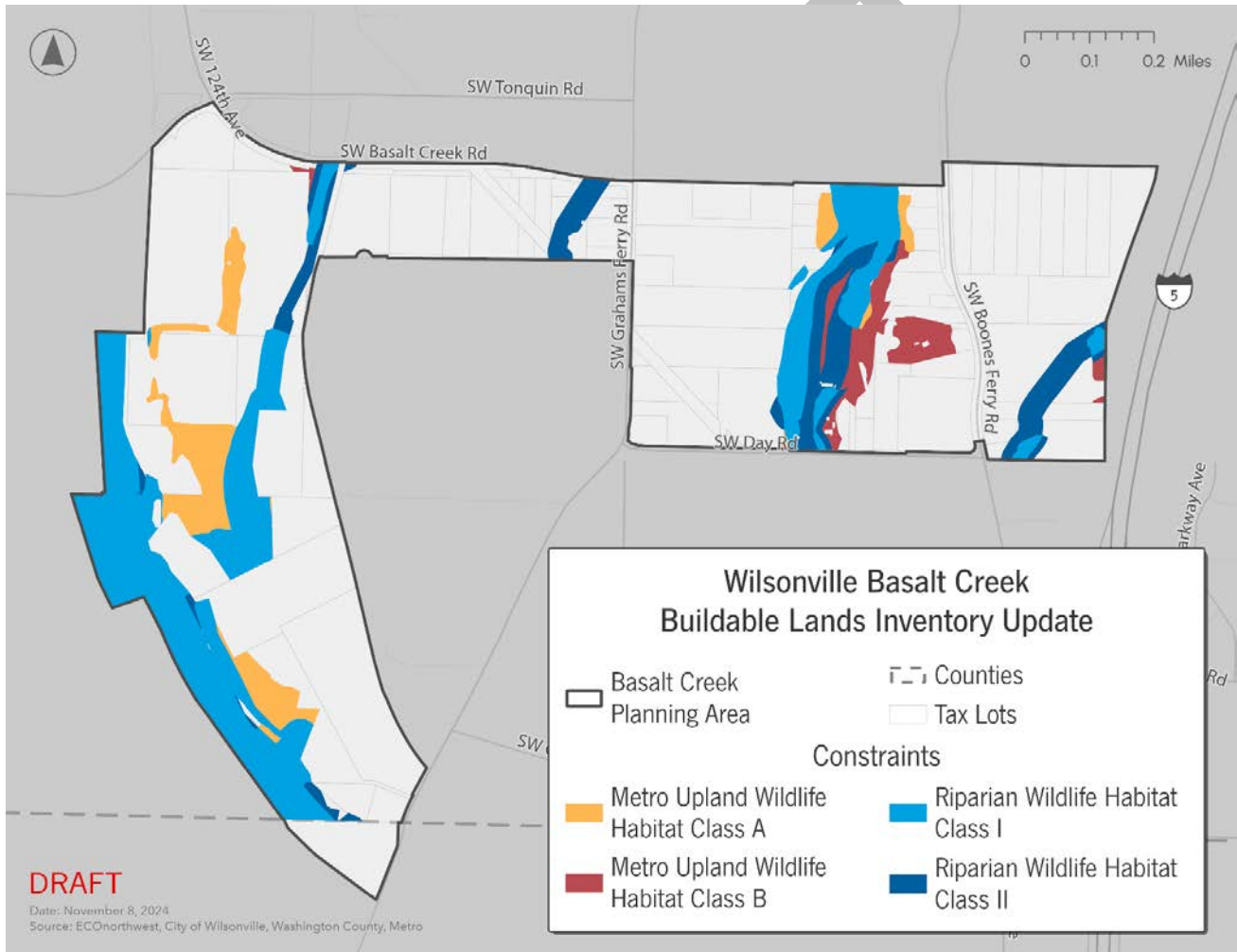
Plan Designation	Total Acres	Developed Acres	Constrained Acres	Buildable Acres
Industrial	237	63	48	127
Undesignated	215	113	79	24
Total	453	175	127	150

Source: EConorthwest analysis, City of Wilsonville, Washington County, Metro

Development Constraints

In coordination with City staff, EONorthwest identified physical constraints based on Washington County’s Significant Natural Resources (SNR), as amended by Washington County Ordinances No. 901 and No. 902.¹ The SNR includes Metro Upland Wildlife Habitat Classes A and B, as well as Riparian Wildlife Habitat Classes I and II. These constraints are shown in Figure 1.

Figure 1. Development Constraints, BCPA, 2024



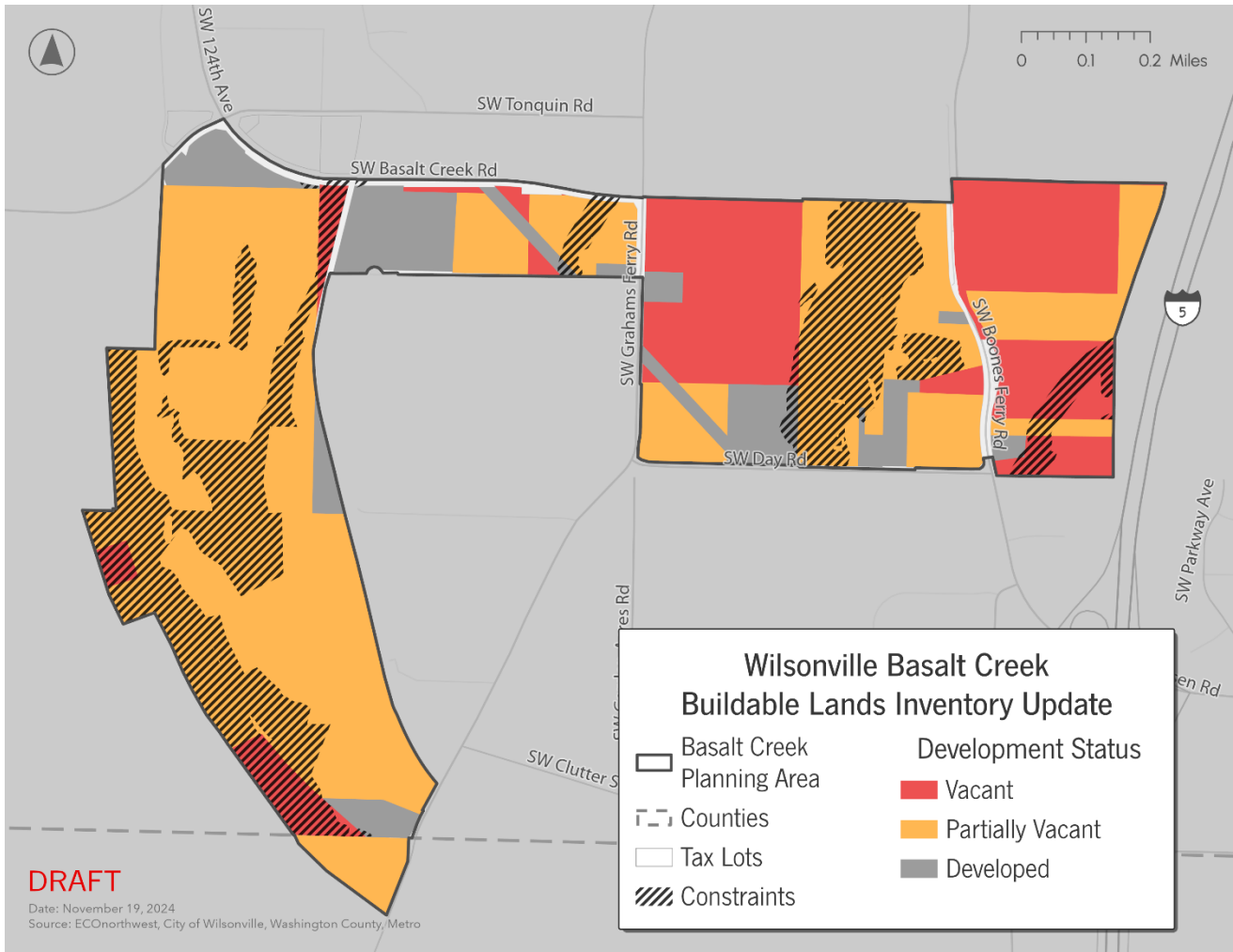
Source: EONorthwest Analysis, City of Wilsonville, Washington County, Metro

Note: EONorthwest is awaiting the required data to update the constraints of the Clackamas County parcel. This update will be included in a future draft.

¹ <https://www.washingtoncountyor.gov/lut/planning/documents/ordinance-no-901a/download?inline>

Figure 2 shows development status with constraints applied, resulting in buildable acres. Land classified as vacant or partially vacant but affected by these constraints is deemed unavailable for development and has been excluded from the inventory of buildable land.

Figure 2. Development Status with Constraints, BCPA, 2024

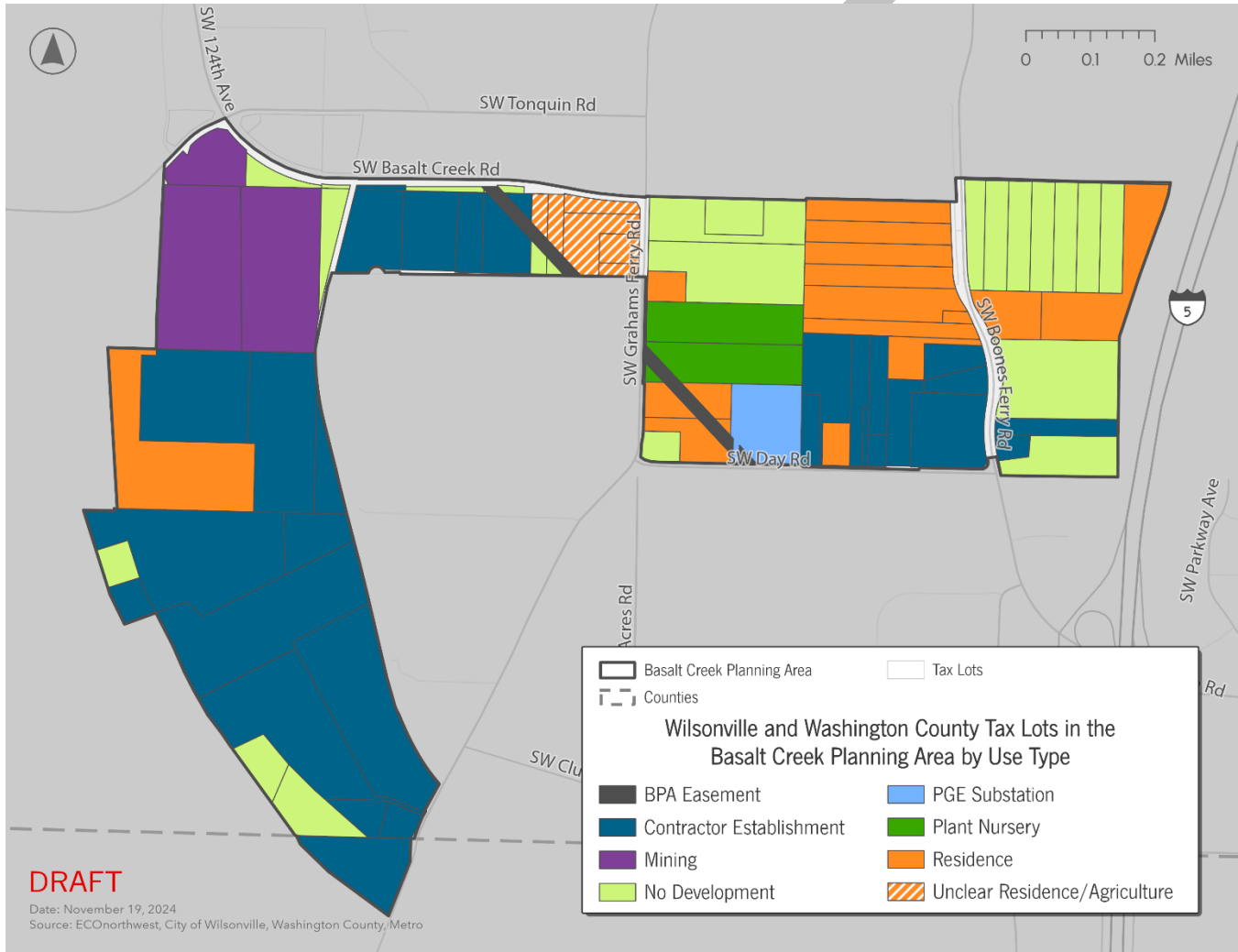


Source: EConorthwest Analysis, City of Wilsonville, Washington County, Metro

Note: EConorthwest is awaiting the required data to update the constraints of the Clackamas County parcel. This update will be included in a future draft.

Figure 3 identifies land use categories for each site. EONorthwest collaborated with City staff to identify these categories through a detailed review process that combined local knowledge with aerial map analysis. Unlike basic classifications of vacant or partially vacant land, this map provides deeper insights into current land uses, offering valuable context for evaluating redevelopment potential and guiding the feasibility analysis (the results of which will be shared in a separate memorandum).

Figure 3. Land Use Categories with Constraints, BCPA, 2024



Source: EONorthwest Analysis, City of Wilsonville, Washington County, Metro

Vacant Buildable Land

The next step in the buildable lands inventory involved removing portions of vacant tax lots deemed unsuitable for development. Unsuitable areas fall into two categories:

1. Developed portions of partially vacant tax lots.
2. Areas affected by physical constraints (i.e. areas within Metro Upland Wildlife Habitat Classes A and B and Riparian Wildlife Habitat Classes I and II)

Table 7 presents the buildable acres—tax lot areas remaining after deducting these constraints—for both vacant and partially vacant land, categorized by Wilsonville’s Comprehensive Plan designation. The BCPA has 150 total buildable acres available for development.

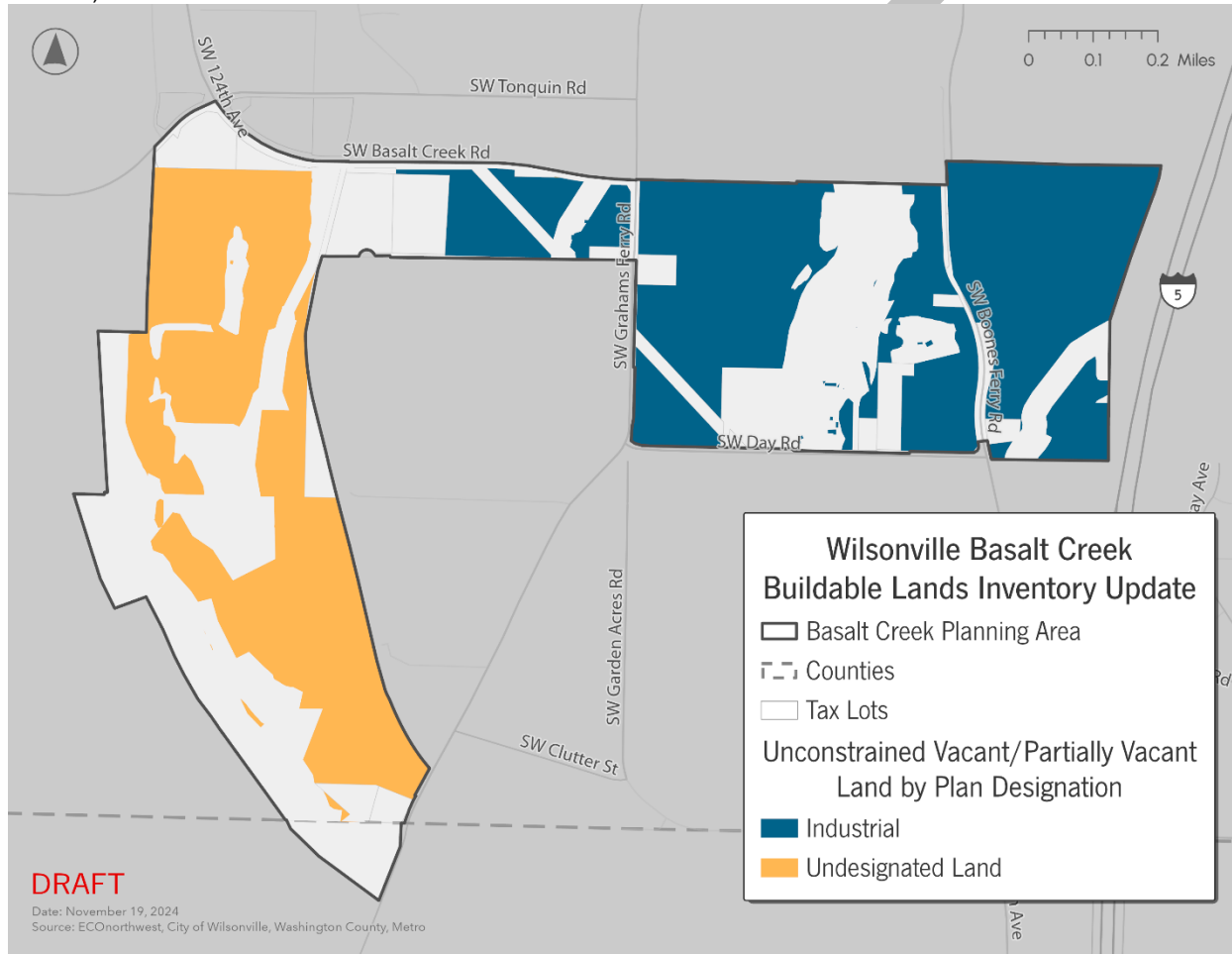
Table 3. Buildable Acres in Vacant and Partially Vacant Tax Lots by Wilsonville Plan Designations, BCPA, 2024

Plan Designation	Total Buildable Acres	Buildable Acres on Vacant Lots	Buildable Acres on Partially Vacant Lots
Industrial	127	87	40
Undesignated	24	0.4	23
Total	150	87	63

Source: ECONorthwest Analysis, City of Wilsonville, Washington County, Metro

Figure 4 shows the buildable vacant and partially vacant land within the BCPA, categorized by Wilsonville Comprehensive Plan designation. It is important to note that tax lots shown as partially vacant in the map do not distinguish the part of the tax lot that is unavailable for development (or has redevelopment potential). However, the buildable lands inventory database accounts for these distinctions: the developed portions (unavailable for future development) are excluded, while the vacant portions are detailed in Table 4.

Figure 4. Buildable Employment Land by Wilsonville Comprehensive Plan Designation, BCPA, 2024



Source: EConorthwest Analysis, City of Wilsonville, Washington County, Metro

Table 4 presents the size of buildable lots categorized by Wilsonville Comprehensive Plan designation across the BCPA. The planning area includes:

- ◆ Eight lots smaller than 0.5 acres, totaling 2 acres.
- ◆ Twenty-two lots between 0.5 and 2 acres, totaling 22 acres.
- ◆ Eighteen lots between 2 and 5 acres, totaling 57 acres.
- ◆ Six lots between 5 and 10 acres, totaling 46 acres.
- ◆ Two lots between 10 and 25 acres, totaling 23 acres.

Table 4. Buildable Acres and Tax Lots by Buildable Site Size by Wilsonville Comprehensive Plan Designation, BCPA, 2024

Plan Designation	Buildable Sites Size					
	0 - 0.5 Acres	0.5 - 1 Acres	1 - 2 Acres	2 - 5 Acres	5 - 10 Acres	10 - 25 Acres
Industrial	1	7	10	51	35	23
Undesignated	1	1	4	6	12	-
Acreage Total	2	8	14	57	46	23
Industrial	5	10	7	16	4	2
Undesignated	3	2	3	2	2	-
Tax Lot Total	8	12	10	18	6	2

Source: EConorthwest Analysis, City of Wilsonville, Washington County, Metro

Site Suitability Analysis

The BCPA is well positioned to capture industrial growth in the South Metro region. It benefits from its strategic location with access to I-5, a robust employment base, and connections to other expanding industrial hubs in Sherwood and Tualatin. Over the summer, ECONorthwest conducted an Economic Inventory to assess market conditions and identify industries most likely to establish a presence in Basalt Creek focusing on industrial and office uses in alignment with the BCCP vision.² The analysis highlighted strong national and regional demand for industrial space and identified key sectors with potential interest in the area, including the semiconductor supply chain, cleantech, advanced manufacturing, distribution and logistics, and data centers.

Although the BCCP originally envisioned a blend of industrial and office development, current market trends suggest a shift towards a greater emphasis on industrial and tech-oriented uses. Office developments, while still anticipated, are expected to occupy a smaller footprint than initially planned.

To determine site specific competitiveness for these industries, ECONorthwest evaluated three opportunity sites using the Mackenzie Infrastructure Finance Authority (IFA) Industrial Development Competitiveness Matrix as a foundation. Recognizing that industry requirements have evolved since the matrix's creation in 2015, the analysis incorporated updated reports and stakeholder feedback to align with current market demands. This Site Suitability Analysis assesses site characteristics such as size, location, and constraints to evaluate their ability to host target industries. While the analysis considered buildable land availability, its primary focus was on site potential, assuming redevelopment occurs.

WHICH SECTORS MAY BE ATTRACTED TO BASALT CREEK?

Below are the potential sectors that may be particularly attracted to Basalt Creek as identified in the Economic Inventory report.

- » **Semiconductor Sector Supply Chain:** Companies providing materials, equipment, and services to chip manufacturers.
- » **Cleantech, including Battery Technology:** Businesses involved in renewable energy technology, energy efficiency solutions and sustainable manufacturing processes.
- » **Advanced Manufacturing:** Companies using technology such as robotics, 3D printing, and computerized systems to manufacture specialized products or components.
- » **Distribution and Logistics:** Storage, transportation and delivery of goods.
- » **Data Centers:** Facilities used to house computer systems and associated components.

² When evaluating the office market, medical office showed stronger growth than traditional office. However, ECONorthwest did not further evaluate its potential as it was not a use envisioned in the BCCP.

Feasibility and redevelopment likelihood of contractor establishments is addressed in a separate task.

Opportunity Sites for Analysis

ECONorthwest evaluated the following sites for their development potential (Figure 5):

- ◆ **SW Greenhill Site:** Selected for its consolidated land ownership and strong potential for near-term development, given the absence of active use.
- ◆ **Craft Industrial Area:** As a transitional area, the City seeks to assess this site's characteristics in detail to determine the most appropriate land uses. This will inform zoning designations.
- ◆ **West Railroad Site:** West Railroad lacked a defined concept in the original BCCP. To explore its potential, ECONorthwest analyzed a portion of West Railroad, focusing on its development suitability. This will inform whether a zoning designation similar to the rest of the Basalt Creek area would be appropriate. The area also faces physical and service constraints, and the analysis evaluates whether these challenges might limit future development opportunities.

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Figure 5. Opportunity Sites



Source: EConorthwest Analysis, City of Wilsonville, Washington County, Metro

Note: EConorthwest is awaiting the required data to update the constraints of the Clackamas County parcel. This update will be included in a future draft.

Table 5 summarizes the size of unconstrained lots for the opportunity sites. Note that "unconstrained acres" here includes developed areas. In general, larger sites are more appealing to industrial users, who often seek parcels of 5 or more acres. Smaller sites, however, may require site aggregation to meet these needs. Notably, sites in SW Greenhill and West Railroad, which exceed 5 acres, could be especially attractive to developers. While all opportunity sites may require some degree of site aggregation, the Craft Industrial area faces the greatest challenge due to its relatively small lot sizes and fragmented land ownership.

Table 5. Unconstrained Acres and Tax Lots by Site Size for Opportunity Sites, BCPA, 2024

Site Suitability Area	Unconstrained Sites Size					
	0 - 0.5 Acres	0.5 - 1 Acres	1 - 2 Acres	2 - 5 Acres	5 - 10 Acres	10 - 25 Acres
Craft Industrial	-	1	5	8	-	-
SW Greenhill	-	-	-	31	-	21
West Railroad	0.3	-	2	10	19	60
Acres Total	0.3	1	7	49	19	81
Craft Industrial	-	1	3	3	-	-
SW Greenhill	-	-	-	8	-	2
West Railroad	3	-	1	4	3	4
Tax Lot Total	3	1	4	15	3	6

Source: EConorthwest Analysis, City of Wilsonville, Washington County, Metro

Site Competitiveness Factors

The IFA Industrial Development Competitiveness Matrix includes the following factors for evaluating the competitiveness of different industries:

- ◆ Site Size
- ◆ Competitive Slope (physical slope of a parcel, which can impact its suitability for development)
- ◆ Access to Transportation and Trip Generation (Highway, Rail, and Airport Proximity)
- ◆ Access to Utility Infrastructure (Water, Sewer, Electricity, Telecommunications)
- ◆ Special Considerations

The industries evaluated in the IFA Industrial Development Competitiveness Matrix include the following, which align with the BCCP and the Economic Inventory findings, and are the focus of this analysis (the full matrix can be found in Appendix A):

- ◆ **Production Manufacturing:**
 - High-Tech/Cleantech Manufacturing
- ◆ **Value-Added Manufacturing and Assembly:**
 - Food Processing
 - Advanced Manufacturing and Assembly
- ◆ **Light/Flex Industrial:**

- General Manufacturing
- Industrial Business Parks and R&D Campuses
- Business Services
- ◆ **Warehousing and Distribution**
 - Regional Warehouse/Distribution
 - Local Warehouse/Distribution
- ◆ **Specialized Uses:**
 - Data Centers

Industry-Specific Considerations

Recent growth in the semiconductor and cleantech sectors has prompted additional research to understand the evolving needs of these industries. To support this, the Oregon Legislature established the Oregon Semiconductor Task Force to identify industry needs and opportunities. Similarly, Business Oregon supported the creation of the Oregon Cleantech Competitiveness Assessment Report to evaluate the needs and prospects for cleantech industries. Key findings related to site-specific requirements from these initiatives are outlined below.

SEMICONDUCTOR SECTOR

The semiconductor industry offers Oregon a prime opportunity to expand advanced manufacturing, grow its traded sector, and create high-quality jobs. The \$52 billion CHIPS Act, passed in July 2022, accelerates efforts to boost domestic semiconductor production by allocating \$40 billion for manufacturing and \$10 billion for research over five years.

The Metro Region hosts a robust semiconductor cluster centered in Hillsboro. There has also been some semiconductor activity south of Hillsboro, including LAM Research in Sherwood and Tualatin, bolstering the supply chain presence in the South Metro. This established network positions the region to attract additional semiconductor-related investments.

The Semiconductor Task Force's Industrial Lands Subcommittee identified key site characteristics most important for the semiconductor industry:

- ◆ **Workforce Availability and Talent Proximity.** Access to skilled workers—engineers, technicians, and operators—is essential. Semiconductor clusters thrive where workers can easily transition between companies, creating a dynamic employment ecosystem. Workforce access is critical for both fabrication plants and supply chain operations.
- ◆ **Parcel Size and Usage.** Parcel size varies by operational needs. Fabrication plants require *50–100 acres* to accommodate cleanrooms and infrastructure, with large-

scale R&D and production facilities needing **500+ acres**. Supply chain operations, such as equipment and material suppliers, generally need smaller parcels of **15–35 acres**.

- ◆ **Infrastructure Readiness.** Reliable access to *transportation, water, electricity, and wastewater systems* is crucial. Semiconductor companies prioritize sites with infrastructure ready to support development within **6 months to 3 years**.
- ◆ **Clustering with R&D Partners and Suppliers.** Collaboration with suppliers and R&D partners is vital. Fabrication plants benefit from proximity to suppliers for quick equipment maintenance and research. Supply chain operations also thrive in clusters, connecting with customers and transport hubs.
- ◆ **Environmental and Regulatory Considerations:** Predictable permitting processes are essential to avoid delays. While environmental regulations remain important, fast-tracked approvals are necessary to match the industry's pace.

SITE COMPETITIVENESS FOR THE CLEANTECH SECTOR

Oregon is well-positioned to capitalize on the growth of cleantech industries, driven by federal initiatives like the Inflation Reduction Act and an increasing focus on sustainability. Cleantech encompasses a range of technologies, including renewable energy, energy-efficient materials, water technologies, and recycling systems. While the IFA Industrial Development Competitiveness Matrix provides general site characteristics for cleantech, the Oregon Cleantech Competitiveness Assessment Report—developed for Business Oregon—offers more detailed site selection criteria specific to established and emerging cleantech industries within the state. Key site characteristics for these subsectors are summarized below (a complete matrix is available in Appendix B). Scalability is essential for many users, as industries often begin on smaller sites but require the flexibility to expand as they grow.

- ◆ **Battery Storage:** These systems store renewable energy for later use, enhancing grid stability and reliability. Technologies range from lithium-ion to flow batteries, used in applications from small urban micro-grids (0-5 acres) to large grid-scale facilities (25+ acres). Electrical system proximity and access for power generation facilities may vary, depending on the scale and intended use. Micro-grid systems may only need connection to the local electrical grid, while large-scale grid storage may require connection to regional transmission lines or substations. Zoning flexibility for energy uses is critical, while water needs and transportation access are generally less significant.
- ◆ **Mass Timber:** Engineered wood products like cross-laminated timber (CLT) and glued laminated timber (GLT) serve as sustainable alternatives to steel and concrete. Production facilities need medium to large sites (5-25+ acres), reliable transportation (particularly to arterial roads and railways) for raw materials, and substantial power supply.

- ◆ **Ag-Tech:** This sector integrates advanced technologies like AI, Internet of Things (IoT), agrivoltaics, and drones to optimize agriculture. Ag-tech operations, in this sense are generally assumed to focus on software and small-scale equipment products, generally collaborating with large existing farms for R&D. These businesses typically require small sites (0-5 acres) with low transportation, water, and power demands.
- ◆ **Circular Economy:** This sector focuses on recycling and resource reuse, supporting waste-reduction and material recovery technologies. Businesses range from R&D to recycling and upcycling facilities. Typically, these operations require small to medium-sized sites (0-25 acres), though the specific site needs depend on the types of raw materials and finished products, as well as the scalability of the industry. Good transportation access—especially to arterial roads and potentially railways—is important, along with moderate water and power requirements and flexible zoning options.
- ◆ **Solar and Wind Energy Production:** This sector encompasses both energy production and manufacturing. Manufacturing facilities share site requirements with advanced manufacturing industries, while energy production facilities vary significantly in scale. These range from small rooftop installations to large-scale farms, which require proximity to transmission lines and substations. The electrical system needs depend on the scale and purpose of the facility—micro-grid systems may only require a connection to the local grid, while large-scale grid storage typically necessitates access to regional transmission lines or substations. Transportation access requirements also vary, but wind turbine manufacturing often requires rail access due to the size of components.
- ◆ **Water Technologies:** This sector focuses on addressing water scarcity and quality through innovations such as AI-driven leak detection, wastewater recycling, and desalination. It often involves both R&D and production facilities. These businesses typically require small to medium-sized sites (0-25 acres) with access to high-pressure water systems and significant power capacity, while having relatively low transportation needs.
- ◆ **Building Energy Technologies:** This sector focuses on innovations that improve energy efficiency, including smart HVAC systems and energy-efficient lighting to reduce building energy use. R&D and software development facilities in this space typically require small sites (0-5 acres) with moderate to high electrical needs, while having low transportation and water requirements.
- ◆ **Electric Vehicle (EV) Infrastructure Technologies:** Supporting the adoption of EVs through charging networks and technology development, this sector generally requires medium to large sites (5-25+ acres) with high electrical power demands and good access to transportation networks.

Opportunity Site Characteristics

The market analysis revealed that Basalt Creek is well-suited for various industrial uses, including light industrial, flex space, warehousing, distribution, advanced manufacturing, and support for cleantech and semiconductor sectors. These industries have specific site requirements. To assess how the three opportunity sites could accommodate different sectors, ECOnorthwest analyzed each site's characteristics and evaluated them against the competitiveness matrix and additional criteria specific to cleantech and semiconductor industries. Table 7 outlines the physical characteristics of the three sites under analysis.

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Table 6. Physical Characteristics of Opportunity Sites

SITE CHARACTERISTIC	SW GREENHILL	CRAFT INDUSTRIAL	WEST RAILROAD
Site Size and Ownership	<ul style="list-style-type: none"> ◆ 57 acres ◆ 10 tax lots ◆ 2 owners (1 owns 42 acres, 1 owns 14 acres) 	<ul style="list-style-type: none"> ◆ 32 acres ◆ 7 tax lots ◆ 7 owners (fairly even site size distribution) 	<ul style="list-style-type: none"> ◆ 165 acres ◆ 15 tax lots ◆ 8 owners (1 owns 65 acres, 4 own ~20 acres each, 3 own smaller parcels)
Slope	Slopes of 10% or greater cover about 6 acres, or 11% of the total site area.	<ul style="list-style-type: none"> ◆ Slopes of 10% or greater cover about 15 acres, or 46% of the total site area. These slopes are generally in the middle of the site, bordering Basalt Creek. 	<ul style="list-style-type: none"> ◆ Slopes of 10% or greater cover about 34 acres, or 20% of the total site area. However, some of these slopes are from activities on the sites and not physical attributes
Surrounding Uses	<ul style="list-style-type: none"> ◆ North: Planned for medium-low density residential and neighborhood commercial (Tualatin portion of BCPA) ◆ East: BCPA border and I-5 ◆ South: Undeveloped land, contractor establishment (planned High-Tech Employment District) ◆ West: Craft Industrial Opportunity Site 	<ul style="list-style-type: none"> ◆ North: Planned for (and under development) low-density residential (Tualatin portion of BCPA) ◆ East: SW Greenhill Opportunity Site (planned High-Tech Employment District) ◆ South: Contractor establishments, single residential property (planned High-Tech Employment District) ◆ West: Contractor establishments, plant nurseries, and undeveloped land (planned Light Industrial District) 	<ul style="list-style-type: none"> ◆ North: Adjacent to mining site ◆ East: Coffee Creek Correctional Facility and Coffee Creek Industrial area ◆ West: Coffee Creek provides a natural buffer ◆ South: Undeveloped land in Clackamas County
Constraints	<ul style="list-style-type: none"> ◆ 52 unconstrained acres (91% of total area) ◆ Minimal constraints running along the eastern boundary 	<ul style="list-style-type: none"> ◆ 14 unconstrained acres (42% of total area); 9 of these acres are east of the constraints that dominate the central area; the remaining 5 acres occupy the northwest corner ◆ Constraints dominate the central north-south area 	<ul style="list-style-type: none"> ◆ 90 unconstrained acres (55% of total area) ◆ Constraints run along the entire western boundary and central northern half

Table 8 outlines the existing and planned utilities on the opportunity sites. Details on water, sewer, and roads were provided by City staff based on the most current local access maps from DKS. Final infrastructure alignment and capacity are still in the planning stages. d

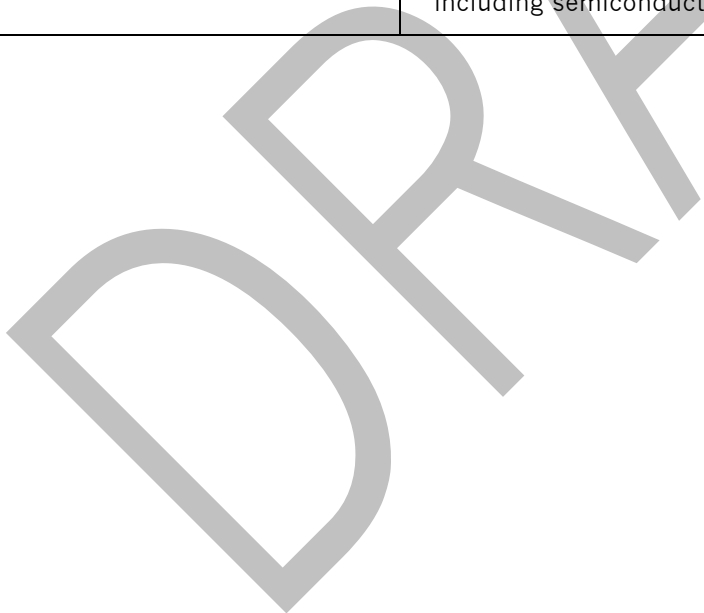
Table 7. Infrastructure and Utility Characteristics of Opportunity Sites

SITE CHARACTERISTIC	SW GREENHILL	CRAFT INDUSTRIAL	WEST RAILROAD
Water: Potable water delivery to BCPA requires Basalt Creek Parkway Extension, Zone C booster station, and may require SW Grahams Ferry Rd Extension. These systems will connect SW Tooze Rd to SW Day Rd – 10,200 LF 18” diameter pipe and 4,670 LF 12” diameter pipe. <i>Modeling needs to confirm these requirements.</i>	Current: No existing water lines in area. Planned: Requires water main along SW Boones Ferry Rd alignment (2,490 LF). Water lines assumed to generally follow local road layout (5,460 LF). Will connect proposed water lines to existing lines on SW Pioneer Ct and SW Day Rd. <i>Sizes to be confirmed during modeling.</i>	Current: No existing water lines in area. Planned: Assumed to utilize proposed water main along SW Boones Ferry Rd. <i>Sizes to be confirmed during modeling.</i>	Current: No existing water lines in area. Planned: Water lines assumed to follow road layout from SW Grahams Ferry to SW Tonquin Rd (6,900 LF). <i>Sizes to be confirmed during modeling.</i>
Roads	Current: Existing SW Boones Ferry Rd, SW Greenhill Rd Planned: New arterial to I-5 from SW Greenhill Rd (300 LF). New arterial from SW Day Rd to I-5 (1,060 LF). New local roads looping SW Greenhill Rd to SW Boones Ferry Rd (3,350 LF) and connecting to SW Pioneer Ct (2,110 LF).	Current: Existing SW Boones Ferry Rd. Planned: New local road looping SW Day Rd to SW Boones Ferry Rd (1,900 LF). Assumed to utilize SW Boones Ferry Rd.	Current: Existing SW Grahams Ferry Rd to south and SW Tonquin Rd to north. Planned: New local road connecting SW Grahams Ferry Rd to SW Tonquin Rd (6,900 LF) with a possible connection to SW Morgan Rd (2,570 LF).
Sewer: Wastewater collection for BCPA requires completion of Coffee Creek Interceptor Phase 2 – 2,000 LF of gravity system upsizing to 21” diameter pipe from SW Boeckman Rd along railroad to SW Ridder Rd. This also requires Coffee Creek Interceptor Railroad Crossing – 160 LF of 21” diameter pipe.	Current: No existing sewer lines in area. Planned: Gravity collection lines flow generally south and west along proposed road layout (5,460 LF). Requires new collection line along SW Day Rd (1,600 LF), and new line to travel south between SW Day Rd to connect to SW Garden Acres Rd just north of SW Ridder Rd (3,700 LF). <i>10-12” diameter collection lines are anticipated.</i>	Current: No existing sewer lines in area. Planned: Assumed to utilize proposed line along SW Boones Ferry Rd.	Current: No existing sewer lines in area. Planned: Gravity line flows from SW Clay St west, crosses railroad, and meets proposed local street alignment in West Railroad to SW Grahams Ferry Rd (6,900 LF). Lift station is required with pressure main along SW Grahams Ferry to SW Clutter St (380 LF) before returning to gravity along SW Clutter St to SW Garden Acres Rd (1,430 LF) <i>A 10” diameter pipe is anticipated for gravity lines.</i>
Natural Gas	The IFA matrix does not identify natural gas as a requirement for industries most likely to locate in the BCCP. Natural gas did not come up as a barrier for industrial development in interviews.		
Electricity	Discussions with PGE indicate that the area can accommodate industrial users with moderate power needs. However large power users such as a data center may require infrastructure upgrades. These types of upgrades can take 3+ years.		
Telecommunication	Since the BCPA is located within the Metro, telecommunication service is expected to be adequate to meet the needs of likely users. Telecommunication capacity did not come up as a barrier for industrial development in interviews.		

Location in the overall region and access to highways, rail, other like businesses, and labor force also play a role in site selection for industries. Given the proximity of these sites within a very small area we detail these overall characteristics for the BCPA rather than for each site (Table 9).

Table 8. Basalt Creek Transportation and Proximity Characteristics

SITE CHARACTERISTIC	BASALT CREEK EVALUATION
Available Trips	<ul style="list-style-type: none"> ◆ The BCCP allocated 951 trips to Wilsonville’s portion of Basalt Creek. The TRP identifies the necessary improvements to accommodate those trips. Additional development and trips would require an update to the TRP and additional capacity improvements to the planned system.
Transportation Access to Interstate or Principal Arterial	<ul style="list-style-type: none"> ◆ The entirety of Basalt Creek is within 5 miles of access to I-5 as well as I-205 and is less than 10 miles from Highway 217.
Proximity to Regional Infrastructure Rail/Port/Airport	<ul style="list-style-type: none"> ◆ Basalt Creek is ~27 miles from Portland International Airport and ~26 miles from the Port of Portland. ◆ A rail line runs through Basalt Creek, but without any spurs, the area lacks direct rail access for industries. <u>Note: The project team is still confirming the type of rail line and potential for spurs.</u>
Proximity to Labor Force	<ul style="list-style-type: none"> ◆ Access to the broader Portland Metro and Mid-Valley labor forces.
Proximity to Goods	<ul style="list-style-type: none"> ◆ Close proximity to wine region and agricultural land ◆ Close proximity to distributors, other manufacturers, and tech hubs, including semiconductor businesses



Evaluation of Compatible Uses

The suitability of potential users for each site is outlined below, based on site characteristics and industry-specific needs. *Note: While water and wastewater capacity, as well as final road alignments, are still in the planning stages, they could influence the types of industries and scale of development that locate on these sites. Generally, water and wastewater capacity is expected to be sufficient, though high-water-use industries are highlighted as needing additional consideration in the matrix. Final road alignments could also affect parcel configurations as well as building size and scale depending on their placement. These factors are acknowledged but are not currently identified as definitive constraints or benefits.*

- ◆ **The SW Greenhill** site spans 57 acres, with 91 percent (52 acres) of the land unconstrained. Minimal slopes (affecting 11 percent of the site), a high proportion of undeveloped land, and proximity to existing infrastructure make it one of the most development-ready locations in Basalt Creek. The site could be suitable for high-tech supply chain, cleantech industries, advanced manufacturing, food processing, small warehousing and distribution, and industrial business parks or R&D campuses. Its proximity to transportation networks and regional workforce access further enhances its competitiveness.
- ◆ **The Craft Industrial** site comprises seven tax lots under separate ownership, most of which are smaller than 5 acres. Substantial constraints limit the developable area to 14 acres. Its proximity to residential areas and existing housing developments makes it less attractive for high-intensity industrial activities. In its current configuration, the site is better suited for micro-industrial uses, such as live-work spaces as originally identified in the BCCP.

With site aggregation, the southeastern portion could support a small-scale industrial and/or office user requiring up to 5 acres. These uses could resemble industrial condo developments like the Commerce Circle Business Park or Riverwood Business Center, which integrate office and small-scale production spaces. While the northeastern portion may also appeal to small industrial users, its irregular shape and the presence of high-value residences make redevelopment less likely there compared to the southeastern portion.

The site's existing residences, some of which are high-value homes, are likely to extend redevelopment timelines relative to other opportunity sites. However, the feasibility of redeveloping these residential properties was not assessed as a part of this study.

- ◆ **The West Railroad** site spans 165 acres, with 55 percent (90 acres) of the land unconstrained. Its large parcel sizes and proximity to regional transportation networks make it a strong candidate for general manufacturing, food processing, and small to mid-sized warehousing or distribution uses. Moderate constraints are concentrated along the western and northern boundaries. Additionally, the lack of

confirmed direct rail access and the need for infrastructure upgrades may present challenges for industries reliant on heavy logistics or rail connections. Additionally, the site's proximity to a rail line and a mining operation could make the site less attractive to advanced manufacturing or other industries sensitive to vibration. On the other hand, the site's proximity to Coffee Creek's existing industrial development may make it attractive to business services supporting nearby industries. **Note:** The project team is continuing to assess rail access and the potential impact of the railroad and nearby mining operations on the site's attractiveness for certain industries. At this stage, these factors are identified as potential considerations. Additionally, the City is still evaluating necessary road improvements to West Railroad to better accommodate truck traffic. Further analysis of how infrastructure constraints or enhancements might influence industry suitability will be included in the next draft if additional information becomes available.

In Table 10, the compatibility of each site with various industrial uses is color-coded as follows:

- ◆ **Red:** Not competitive for the industry
- ◆ **Yellow:** Moderate potential
- ◆ **Green:** High compatibility and strong suitability

Table 9. Evaluation of Compatible Uses Based on Site Characteristics

INDUSTRIES		SW GREENHILL	CRAFT INDUSTRIAL	WEST RAILROAD
Production Manufacturing	High Tech / Cleantech Manufacturing	Mid-sized, flat site; high power or utility demands could exclude some users depending on system capacity	May be able to accommodate a small user (under 5 acres) most likely on the southeastern portion; some users may prefer larger sites with expansion potential	Vibration may be a concern from nearby rail and mining (This may or may not be a barrier – project team is still confirming); high power or utility demands could exclude some users depending on system capacity
Value-Added Manufacturing and Assembly	Food Processing	Water and sewer needs are high; high demands could exclude some users depending on system capacity	May be able to accommodate a small user (under 5 acres) most likely on the southeastern portion	Water and sewer needs are high; high demands could exclude some users depending on system capacity
	Advanced Manufacturing & Assembly	Mid-sized, flat site; lower water and sewer demand than high-tech industries	Site small and constrained; increased setbacks (if required) could be a problem; often requires onsite utility service areas	Vibration may be a concern from nearby rail and mining (This may or may not be a barrier – project team is still confirming)

INDUSTRIES		SW GREENHILL	CRAFT INDUSTRIAL	WEST RAILROAD
Light / Flex Industrial	General Manufacturing	Residential proximity may reduce appeal	Site small and constrained; residential proximity may reduce appeal	Desirable site size available; distance from sensitive uses (residential, park)
	Industrial Business Park and R&D Campus	Mid-sized, flat site; slightly small for some users	Site small and constrained	Constraints may limit large park potential
	Business / Admin Services	Mid-sized, flat site; high trip generation	May be able to accommodate a small user (under 5 acres) most likely on the southeastern portion; tolerates higher slopes; compatible near residential; high trip generation	Proximity to Coffee Creek Industrial area which hosts similar services is attractive; tolerates higher slopes; high trip generation
Warehouse & Distribution	Regional	Close to I-5; existing road infrastructure; site may be a little small for some users	Site too small and constrained; limited space for trucks	Constraints could limit large distribution centers; The City is evaluating needed improvement to better accommodate truck traffic
	Local	Close to I-5; existing road infrastructure; suitable for smaller users	Site too small and constrained; limited space for trucks	Close to I-5; suitable for smaller users; The City is evaluating needed improvement to better accommodate truck traffic
Specialized	Data Center	May be suitable but power needs could exceed available capacity requiring upgrades	Site too small and constrained	May be suitable but power needs could exceed available capacity requiring upgrades

Site Competitiveness for Semiconductor Industry

Basalt Creek lacks the large parcels required for fabrication plants but is positioned to accommodate supply chain businesses that support semiconductor manufacturing.

- ◆ **SW Greenhill:** **High Potential** – Could be competitive for the semiconductor supply chain businesses. This site is closest to development ready, which is highly competitive as semiconductor companies prioritize sites with infrastructure ready to support development within 6 months to 3 years.
- ◆ **Craft Industrial:** **Not Competitive** – Given the small parcels on the Craft Industrial site, this site is not competitive for the semiconductor supply chain businesses.

- ◆ **West Railroad: Moderate Potential** – The longer timeline required to provide adequate infrastructure, combined with existing constraints, makes this site less attractive for the semiconductor industry.

Site Competitiveness for Cleantech

- ◆ **Craft Industrial: Moderate Potential** – Given the small parcels and extent of constraints, this site is not competitive for many cleantech businesses but may be attractive to small scale users in ag-tech and building energy tech that require sites under 5 acres.

Table 10. Cleantech Evaluation of Compatible Uses for Craft Industrial

Battery Storage	Existing businesses add appeal, but energy demands may exceed supply; site size may be too small for many users
Mass Timber	Limited by small site size, lack of direct rail access and high energy requirements
Ag-Tech	Site may be suitable for a small user
Circular Economy	Some users may prefer direct rail access; site may be too small for some users
Solar & Wind Energy	Small site; unsuitable for power generation and manufacturing
Water Tech	High demand user; water pressure adequacy and energy needs may pose challenges; site may be too small for some users
Building Energy Tech	Site may be suitable for a smaller user; energy demands could exceed supply.
EV infrastructure Tech	Limited site size, lack of rail access and high energy requirements

- ◆ **SW Greenhill and West Railroad: High Potential** – Site size and infrastructure could appeal to a variety of cleantech subsectors including battery storage, ag-tech, circular economy, water tech, and building energy tech.

Table 11. Cleantech Evaluation of Compatible Uses

Battery Storage	Existing businesses add appeal, but energy demands may exceed supply
Mass Timber	Limited by lack of direct rail access and high energy requirements
Ag-Tech	Sites meet needs well
Circular Economy	High transportation needs: some facilities may prefer direct rail access
Solar & Wind Energy	Unsuitable for power generation; possible for manufacturing but limited by rail and power needs
Water Tech	High demand user; water pressure adequacy and energy needs may pose challenges; low transportation needs
Building Energy Tech	Sites meet needs well; energy demands could exceed supply.
EV infrastructure Tech	Limited by lack of rail access and high power requirements

Conclusion

Land Supply

The BCPA offers a promising opportunity to support a diverse range of industrial and employment uses that align with Wilsonville’s economic development goals. Since the previous Buildable Lands Inventory (BLI) update, the area has experienced growth in contractor establishments. The updated BLI identifies **150 acres of buildable land**, comprising **87 acres of vacant land** and **63 acres of partially vacant land**, after accounting for constraints and existing development. The supply is distributed across parcels of varying sizes, ranging from small lots under 5 acres to larger parcels exceeding 25 acres, providing a mix of options suitable for different industry needs.

Note: ECOnorthwest will include employment capacity estimates in the next version of this draft.

Site Suitability Analysis

The Site Suitability Analysis evaluates the competitiveness of three opportunity sites within the BCPA based on their ability to host key industries identified in the Economic Inventory. This evaluation focuses on physical site characteristics, such as size, location, and constraints, rather than the likelihood of redevelopment. Redevelopment feasibility is addressed in a separate deliverable.

- ◆ **SW Greenhill:** With its minimal constraints, lack of development and existing infrastructure, this site could be suited for cleantech, high-tech supply chains, advanced manufacturing industries, food processing, small warehousing and distribution, and industrial business parks or R&D campuses requiring medium-sized parcels. This validates the uses originally envisioned in the BCCP for the area.
- ◆ **Craft Industrial:** Due to significant constraints, the site is currently more suitable for micro-industrial uses, such as live-work spaces, as originally identified in the BCCP. However, with site aggregation, the eastern portion could accommodate small-scale business or administrative services and production uses, similar to industrial condo developments like Commerce Circle Business Park or Riverwood Business Center. The presence of existing residences, including some high-value homes, are likely to delay redevelopment timelines compared to other opportunity sites.
- ◆ **West Railroad:** This site has potential for development in general manufacturing, food processing, warehousing and distribution, and business services. However, significant infrastructure upgrades are required, and existing constraints may limit the scale of some types of development.

Next Steps

The findings presented in this memorandum are preliminary and will be further refined through ongoing discussions with the Planning Commission and City Council. This analysis is being conducted in parallel with an evaluation of redevelopment feasibility for contractor establishments. Ultimately, these components, along with insights from the Economic Inventory, will be synthesized into a comprehensive final report that outlines key findings and recommendations.

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Appendix A. IFA Industrial Development Competitiveness Matrix

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**STATE OF OREGON - Infrastructure Finance Authority
Industrial Development Competitiveness Matrix**



CRITERIA		Production Manufacturing		Value-Added Manufacturing and Assembly		Light / Flex Industrial			Warehousing & Distribution		Specialized		
		A	B	C	D	E	F	G	I	H	J	K	L
		Heavy Industrial / Manufacturing	High-Tech / Clean-Tech Manufacturing	Food Processing	Advanced Manufacturing & Assembly	General Manufacturing	Industrial Business Park and R&D Campus	Business / Admin Services	Regional Warehouse / Distribution	Local Warehouse / Distribution	UVA Manufacturing / Research	Data Center	Rural Industrial
1 GENERAL REQUIREMENTS		Use is permitted outright, located in UGB or equivalent and outside flood plain; and site (NCDA) does not contain contaminants, wetlands, protected species, or cultural resources or has mitigation plan(s) that can be implemented in 180 days or less.											
2 PHYSICAL SITE													
TOTAL SITE SIZE**	Competitive Acreage*	10 - 100+	5 - 100+	5 - 25+	5 - 25+	5 - 15+	20 - 100+	5 - 15+	20 - 100+	10 - 25+	10 - 25+	10 - 25+	5 - 25+
3 COMPETITIVE SLOPE:	Maximum Slope	0 to 5%	0 to 5%	0 to 5%	0 to 7%	0 to 5%	0 to 7%	0 to 12%	0 to 5%	0 to 5%	0 to 7%	0 to 7%	0 to 5%
TRANSPORTATION													
5 TRIP GENERATION:	Average Daily Trips per Acre	40 to 60 (ADT / acre)	40 to 60 (ADT / acre)	50 to 60 (ADT / acre)	40 to 60 (ADT / acre)	40 to 50 (ADT / acre)	60 to 150 (ADT / acre)	170 to 100 (ADT / acre)	40 to 80 (ADT / acre)	40 to 80 (ADT / acre)	40 to 80 (ADT / acre)	20 to 30 (ADT / acre)	40 to 50 (ADT / acre)
6 MILES TO INTERSTATE OR OTHER PRINCIPAL ARTERIAL:	Miles	w/ in 10	w/ in 10	w/ in 30	w/ in 15	w/ in 20	N/A	N/A	w/ in 5 (only Interstate or equivalent)	w/ in 5 (only Interstate or equivalent)	N/A	w/ in 30	N/A
7 RAILROAD ACCESS:	Dependency	Preferred	Preferred	Preferred	Not Required	Preferred	Preferred	Not Required	Preferred	Preferred	Not Required	Avoid	N/A
8 PROXIMITY TO MARINE PORT:	Dependency	Preferred	Preferred	Preferred	Not Required	Preferred	Preferred	Not Required	Preferred	Preferred	Not Required	Not Required	N/A
9 PROXIMITY TO REGIONAL COMMERCIAL AIRPORT:	Dependency	Preferred	Competitive	Preferred	Competitive	Preferred	Required	Preferred	Preferred	Preferred	Preferred	Competitive	N/A
	Distance (Miles)	w/ in 60	w/ in 60	w/ in 60	w/ in 30	w/ in 60	w/ in 30	w/ in 60	w/ in 60	w/ in 60	w/ in 30	w/ in 60	N/A
10 PROXIMITY TO INTERNATIONAL AIRPORT:	Dependency	Preferred	Competitive	Preferred	Competitive	Preferred	Competitive	Preferred	Preferred	Preferred	Competitive	Preferred	N/A
	Distance (Miles)	w/ in 300	w/ in 300	w/ in 300	w/ in 100	w/ in 300	w/ in 100	w/ in 300	w/ in 300	w/ in 300	w/ in 100	w/ in 300	N/A
UTILITIES													
11 WATER:	Min. Line Size (Inches/Distr)	8" - 12"	12" - 16"	12" - 16"	8" - 12"	6" - 10"	8" - 12"	4" - 6"	4" - 8"	4" - 6"	4" - 8"	16"	4" - 8"
	Min. Fire Line Size (Inches/Distr)	10" - 12"	12" - 18"	10" - 12"	10" - 12"	8" - 10"	8" - 12"	6" - 10"	10" - 12"	6" - 8"	6" - 10"	10" - 12"	6" (or alternate source)
	High Pressure Water Dependency	Preferred	Required	Required	Preferred	Not Required	Preferred	Not Required	Not Required	Not Required	Not Required	Required	Not Required
	Flow Gallons per Day per Acre	1600 (GPD / Acre)	5200 (GPD / Acre)	3150 (GPD / Acre)	2700 (GPD / Acre)	1850 (GPD / Acre)	2450 (GPD / Acre)	1600 (GPD / Acre)	500 (GPD / Acre)	500 (GPD / Acre)	1600 (GPD / Acre)	50-200 (Gallons per MWh) †	1200 (GPD / Acre)
12 SEWER:	Min. Service Line Size (Inches/Distr)	6" - 8"	12" - 18"	10" - 12"	10" - 12"	6" - 8"	10" - 12"	6" - 8"	4"	4"	6"	8"-10"	4" - 6" (or on-site source)
	Flow (Gallons per Day per Acre)	1500 (GPD / Acre)	4700 (GPD / Acre)	2600 (GPD / Acre)	2500 (GPD / Acre)	1700 (GPD / Acre)	2000 (GPD / Acre)	1600 (GPD / Acre)	500 (GPD / Acre)	500 (GPD / Acre)	1300 (GPD / Acre)	1000 (GPD / Acre) ‡	1000 (GPD / Acre)

Item 3.

13	NATURAL GAS:	Preferred Min. Service Line Size (Inches/Diameter)	4" - 6"	6"	4"	6"	4"	6"	2"	2"	2"	2"	4"	M/A
		On Site	Competitive	Competitive	Preferred	Competitive	Competitive	Competitive	Preferred	Preferred	Preferred	Preferred	Preferred	Preferred
14	ELECTRICITY:	Minimum Service Demand	2 MW	4-6 MW	2-6 MW	1 MW	0.5 MW	0.5 MW	0.5 MW	1 MW	1 MW	0.5 MW	5-25 MW	1 MW
		Close Proximity to Substation	Competitive	Competitive	Not Required	Competitive	Preferred	Competitive	Preferred	Not Required	Not Required	Not Required	Required, could be on site	Not Required
		Redundancy Dependency	Required	Preferred	Not Required	Required	Not Required	Competitive	Required	Not Required	Not Required	Not Required	Required	Not Required
15	TELECOMMUNICATIONS:	Major Communications Dependency	Preferred	Required	Preferred	Required	Required	Required	Required	Preferred	Preferred	Required	Required	Preferred
		Route Diversity Dependency	Not Required	Required	Not Required	Required	Not Required	Preferred	Required	Not Required	Not Required	Not Required	Required	Not Required
		Fiber Optic Dependency	Preferred	Required	Preferred	Required	Preferred	Required	Required	Preferred	Preferred	Required	Required	Not Required
16	SPECIAL CONSIDERATIONS:		Adequate distance from sensitive land uses (residential, parks, large retail centers) necessary. High throughput of materials. Large yard spaces and/or buffering required. Often transportation related requiring marine/rail links.	Acreage allotment includes expansion space (often an exercisable option). Very high utility demands in one or more areas common. Sensitive to vibration from nearby uses.	May require high volum of supply of water and sanitary sewer treatment. Often needs substantial storage/yard space for input storage. Onsite water pre-treatment needed in many instances.	Surrounding environment of great concern (vibration, noise, air quality, etc.). Increased setbacks may be required. Onsite utility service areas. Avoid sites close to wastewater treatment plants, landfills, sewage lagoons, and similar land uses. Lower demands for water and sewer treatment than Production High-Tech Manufacturing.	Adequate distance from sensitive land uses (residential, parks) necessary. Moderate demand for water and sewer. Higher demand for electricity, gas, and telecom.	High diversity of facilities within business parks. RRD facilities benefit from close proximity to higher education facilities. Moderate demand on all infrastructure systems.	Relatively higher parking ratios may be necessary. Will be very sensitive to labor force and the location of other similar centers in the region. High reliance on telecom infrastructure.	Transportation routing and proximity to/from major highways is crucial. Expansion options required. Truck staging requirements mandatory. Minimal route obstructions between the site and interstate highway such as rail crossings, drawbridges, school zones, or similar obstacles.		Larger sites may be needed. The 25 acre site requirement represents the more typical site. Power delivery, water supply, and security are critical. Surrounding environment (vibration, air quality, etc.) is crucial. May require high volume/supply of water and sanitary sewer treatment.	Located in more remote locations in the state. Usually without direct access (within 50 miles) of Interstate or City of more than 50,000 people.	

Mackenzie, Business Oregon

Terms:	
More Critical ↑ Less Critical	<p>'Required' factors are seen as mandatory in a vast majority of cases and have become industry standards.</p> <p>'Competitive' significantly increases marketability and is <i>highly recommended by Business Oregon</i>. May also be linked to financing in order to enhance the potential reuse of the asset in case of default.</p> <p>'Preferred' increases the feasibility of the subject property and its future reuse. Other factors may, however, prove more critical.</p> <p>* Competitive Acreage: Acreage that would meet the site selection requirements of the majority of industries in this sector.</p> <p>** Total Site: Building footprint, including buffers, setbacks, parking, mitigation, and expansion space</p> <p>† Data Center Water Requirements: Water requirement is reported as gallons per MWh to more closely align with the Data Center industry standard reporting of Water Usage Effectiveness (WUE).</p> <p>‡ Data Center Sewer Requirements: Sewer requirement is reported as 200% of the domestic usage at the Data Center facility. Water and sewer requirements for Data Centers are highly variable based on new technologies and should be reviewed on a case-by-case basis for specific development requirements.</p>

Appendix B. Cleantech Industrial Sector Land Use Competitiveness Matrix

The Oregon Cleantech Competitiveness Assessment Report (Appendix D in the report) identified the following land use requirements for key cleantech subsectors in Oregon as described below.

Cleantech Land Use Criteria

Land use requirements for attracting and growing industrial users vary across sectors. We have reviewed typical land use and infrastructure needs based on existing facility development, anticipated growth needs, and similarities to existing established industrial users within the State. We have reviewed land use competitiveness for the following development criteria, which are commonly used when evaluating sites for attracting potential industrial users:

1. Total site size: Gross property area, including building footprint, setbacks, parking, laydown space, buffers and/or mitigation areas, and expansion areas.
 - A. Small: 0-5 acres
 - B. Medium: 5-25 acres
 - C. Large: > 25 acres
2. Use allowance: Specific manufacturing use allowed under current zoning. Development standards also may limit feasibility of necessary elements such as utility yards.
 - A. Low: Allowed outright
 - B. Medium: Allowed conditionally or with limitations
 - C. High: Not allowed
3. Site slope tolerance: Elevation differences across the site; generally, industries with large-footprint buildings or laydown yards require flatter sites.
 - A. Low: 0-5%
 - B. Moderate: 0-7%
 - C. High: 0-12%
4. Access to Interstate or Principal Arterial transportation routes: Access to shipping routes and available capacity for trips generated.
 - A. Low: Relatively low need for access to transportation routes.
 - B. Moderate: Access to principal transportation routes is preferred.
 - C. High: Access to principal transportation routes is required.
5. Railroad access: Proximity and capacity for rail freight systems, for either raw materials or finished goods.
 - A. Low: Relatively low need for rail access.
 - B. Moderate: Access to rail access is preferred.
 - C. High: Access to rail access is required.
6. Marine port access: Proximity and capacity for marine cargo shipping, for either raw materials or finished goods.
 - A. Low: Relatively low need for marine access.
 - B. Moderate: Access to marine access is preferred.

- C. High: Access to marine access is required.
- 7. Airport access: Proximity and flight availability for employees, customers, or air cargo.
 - A. Low: Relatively low need for airport access.
 - B. Moderate: Access to airport access is preferred.
 - C. High: Access to airport access is required.
- 8. High pressure water supply: Proximity and capacity for high pressure water supply, typically as municipal water.
 - A. Low: Significant water usage is not expected to be a critical component of this industry.
 - B. Moderate: Water usage may be high for this industry; high-pressure water supply is preferred.
 - C. High: High-pressure water supply is required.
- 9. Electricity supply: Proximity and capacity for electrical power.
 - A. Low: Significant electricity usage is not expected to be a critical component of this industry.
 - B. Moderate: Electrical usage may be high for this industry; high-demand service and/or redundancy is preferred.
 - C. High: High-demand service and/or redundant electrical supply is required.

The following table summarizes our recommendations of land use competitiveness for the selected Cleantech sectors across the criteria listed above.

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Table 12. Competitiveness Matrix for Select Cleantech Industries

	Battery Storage	Mass Timber	Ag-Tech	Circular Economy	Solar & Wind Energy Prod	Water Tech	Building Energy Tech	EV Infrastructure Tech
Site Size	Small to Large ³	Med to Large	Small ⁴	Small to Med ⁵	Med to Large ⁶	Small to Med	Small	Med to Large
Use Allowance	Varies by jurisdiction							
Slope Tolerance	Mod.	Low	High	Mod.	Mod.	Low	High	Mod.
Transportation Access	Low	High	Low	High	Mod.	Low	Low	High
Rail Access	Low	Mod.	Low	Mod.	Wind: High Solar: Low	Low	Low	Mod.
Marine Access	Low	Low	Low	Low to Mod.	Low to High ⁷	Low	Low	Low to Mod.
Airport Access	Low	Low	Mod.	Low	Low	Low	Mod.	High
High Pressure Water Needs	Low	Low to Mod.	Low	Mod.	Mod.	High	Low	Low
Electrical Supply Needs	High ⁸	Mod. to High	Low	Mod.	High ⁶	High	Mod. to High	High

Source: Oregon Cleantech Competitiveness Assessment Report, 2024

³ Battery storage site sizes may vary widely, from urban micro-grid installations to large-scale power grid storage.

⁴ The Ag-Tech industries identified in this study are assumed to generally focus on software and small-scale equipment products. These companies may use large-scale farms for product development or research; however, since those are likely to be existing operating farm facilities we do not identify them as a land use criteria here.

⁵ Site facility size for circular economy is dependent on the raw materials and finished products involved, and the industry scaling.

⁶ Site size for solar/wind manufacturing facilities is similar to advanced manufacturing industries, while sites for solar/wind power generation vary greatly depending on scale ranging from rooftop systems to grid-scale farms.

⁷ Off-shore wind power requires marine facilities to transport turbines and equipment to the generating site. Land-based wind power marine access varies.

⁸ Electrical system proximity and access for power generation facilities may vary, depending on the scale and intended use. Micro-grid systems may only need connection to the local electrical grid, while large-scale grid storage may require connection to regional transmission lines or substations.

DATE: November 20, 2024
TO: City of Wilsonville
FROM: EConorthwest: Nicole Underwood, Michelle Anderson, and Bob Parker
SUBJECT: WILR Phase 1: Redevelopment Feasibility of Contractor Establishments -
DRAFT

The cities of Tualatin and Wilsonville adopted the Basalt Creek Concept Plan (BCCP) in 2018 after a lengthy joint planning process. Now, in 2024-25, the City of Wilsonville is working to advance the Basalt Creek Planning Area (BCPA) beyond the concept plan to a development-ready status by designating zoning and refining infrastructure plans. However, since adoption of the BCCP, economic conditions at national, state, regional, and local levels have shifted significantly, and must now be considered.

To address these evolving conditions, the City hired EConorthwest to conduct a market assessment and industrial lands study focused on Wilsonville's portion of the BCPA. This study comprises several interconnected tasks:

- ◆ An **Economic Inventory** that evaluated current market trends and identified industries suitable for the area (completed).
- ◆ An updated **Buildable Lands Inventory (BLI)** that reflects recent land developments, adjusted constraints, and revised capacity estimates (ongoing).
- ◆ A **Site Suitability Analysis** that evaluates three key opportunity sites for their potential to support target industries based on attributes like size, location, and access (ongoing).
- ◆ An **Analysis of Future Development of Contractor Establishments in the BCPA** given prevailing lease rates and market conditions (this memorandum).

This memorandum addresses the fourth task by evaluating the redevelopment potential of contractor establishments within the BCPA. Currently, the Wilsonville portion of the BCPA falls under Washington County's Future Development, 20-acre District (FD-20) zoning, which allows a variety of low-intensity uses. The area has limited development, with much of the developed land used for contractor establishments, which typically include small offices (often converted residences), storage buildings, and laydown yards. While these uses contribute to jobs and economic activity, they yield limited employment opportunities and lower property values compared to those envisioned in the BCCP or typically expected for land within the Metro Urban Growth Boundary (UGB) and city limits.

The primary question we address in this task is: What is the redevelopment potential of existing contractor establishments in the BCPA, given prevailing lease rates and market conditions? This analysis will help the City understand what types of development the market will support, which desired development types identified in the BCCP are viable

under current economic conditions, and what conditions might be necessary in the future to support desired development.

The findings from this analysis will guide recommendations on policy interventions and strategic actions the City can take to support desired development and promote redevelopment feasibility. These efforts are part of a broader initiative to position Basalt Creek as a key area for regional job growth and long-term economic success.

Redevelopment Feasibility of Existing Contractor Establishments

The Economic Inventory identified a range of industrial users who may find Basalt Creek particularly attractive due to its prime location in the Southwest Metro area, access to a skilled workforce, availability of industrial land, strong transportation networks, and proximity to existing industrial clusters. Discussions with stakeholders also highlighted strong regional demand for industrial space.

However, several challenges complicate redevelopment efforts. Many existing contractor establishments generate significant income for property owners, reducing their motivation to sell or redevelop the land for higher-intensity industrial uses. Additionally, relocation options for businesses currently occupying these sites may be limited, creating further barriers to redevelopment.

These challenges raise critical questions about whether current market rents and sales prices are sufficient to make redevelopment feasible in the BCPA. This analysis evaluates the conditions needed to support redevelopment in Basalt Creek.

WHICH SECTORS MAY BE ATTRACTED TO BASALT CREEK?

Below are the potential sectors that may be particularly attracted to Basalt Creek as identified in the Economic Inventory report.

Semiconductor Sector Supply Chain:

Companies providing materials, equipment, and services to chip manufacturers.

Clean Tech, including Battery Technology:

Businesses involved in renewable energy technology, energy efficiency solutions and sustainable manufacturing processes.

Advanced Manufacturing: Companies using technology such as robotics, 3D printing, and computerized systems to manufacture specialized products or components.

Distribution and Logistics: Storage, transportation and delivery of goods.

Data Centers: Facilities used to house computer systems and associated

Methods and Approach

What are the key questions?

While there is clear demand for industrial space in the BCPA, the question remains: **What conditions (e.g., market, ownership, site, zoning) are needed to promote and incentivize urban industrial development as envisioned in the BCCP?** To answer this core question, ECONorthwest identified several sub-questions to guide the analysis.

- ◆ What types of property owners are in the study area and who is respectively occupying the site (e.g., does the owner occupy or a tenant)?
 - Understanding ownership and occupancy dynamics helps assess the financial motivations of property owners and determine whether redevelopment offers an incentive.
- ◆ What are the potential future uses for these sites?
 - Identifying potential future uses informs construction costs, market rents, and site utilization. Evaluating the likely range of site utilization (based on constraints and zoning) helps determine whether redevelopment would offer higher returns compared to current uses.

By addressing these supporting questions, ECONorthwest evaluated scenarios where ownership, occupancy, and future uses align to incentivize redevelopment. This structured approach provides insights into the conditions necessary to drive redevelopment in the BCPA.

How did we answer the key questions?

ECONorthwest used a detailed pro forma model to evaluate multiple potential development scenarios. These scenarios incorporated variations in current ownership and occupancy, potential future uses, and site utilization (for additional details, see Appendix). For this quantitative analysis, we focused on conditions that could support new development, either on recently acquired properties (e.g., speculative purchases) or on land likely to transact for redevelopment in the future.

WHAT IS A PRO FORMA?

The pro forma method, a standard tool in real estate feasibility studies, replicates the decision-making process of investors and lenders. It assesses the balance between development costs, expected revenue, and financing structures to identify potential viability gaps.

The pro forma considers the site utilization and potential building program of each scenario, development hard costs (construction labor and materials), other development costs (soft

costs, contingency, developer fee, etc.), costs of capital, relevant operating costs, and land acquisition costs. For each scenario, the pro forma calculated the rent levels required to cover these costs and achieve financial feasibility.

DATA LIMITATIONS AND METHODOLOGY

While the quantitative analysis provided valuable insights, data limitations in the study area and the I-5 South Submarket, such as limited observations of contractor establishment rents, posed some challenges. These limitations are typical for studies in smaller submarkets. To address this, we supplemented the analysis with qualitative methods, including interviews with developers and brokers, to validate assumptions and refine recommendations. We also conducted a range of sensitivity testing to account for potential variance (e.g., higher and lower potential contractor establishment rents) instead of basing the results of our analysis on one assumption. As a result, we believe the findings accurately reflect current market conditions in Wilsonville and provide a reliable basis for evaluating redevelopment feasibility in the BCPA.

ASSUMPTIONS AND INDUSTRY STANDARDS

We based several assumptions on industry standards to ensure consistency and accuracy:

- ◆ **Construction Costs:** Used national averages adjusted with a Portland-metro-specific multiplier to account for regional building conditions.
- ◆ **Other Development Costs and Operating Costs:** Applied standard rates for soft costs (architectural design, site engineering, permitting and entitlement fees, capital carrying costs, etc.), contingency, and developer fees.

For a more detailed overview of the data, assumptions, and methodology, please refer to the Appendix.

WHY IS DEVELOPMENT FEASIBILITY AND PRO FORMA ANALYSIS IMPORTANT?

Development can be costly and risky. Getting funding to construct new development requires lenders and investors to be reasonably confident they will earn enough financial return to justify the risks.

Economic or market feasibility is generally assessed by comparing the expected revenues (rents, sales prices) against the costs of development. If a development project is not profitable, it is not feasible; it will not be built. While some of the factors that determine market feasibility are outside a jurisdiction's direct control (e.g., labor and materials costs, interest rates, market rents), local jurisdictions can provide incentives (such as tax exemptions or land donations); or adjust building, utility, and zoning fees, zoning, programs, and other regulations that can have a substantial impact on whether development could be feasible or not.

UNDERSTANDING THE PRICE OF LAND IN THE BCPA: HOW THIS IS FACTORED INTO FEASIBILITY RESULTS

Predicting the price that a landowner would require when selling property for development is an imperfect science – each landowner has reasons to sell or hold their land. Some property owners are willing to develop their land without selling, but based on interviews, we determined this would be rare in the study area. For the purposes of this analysis, we assumed the value of the property (i.e., the price of the land at which an owner would be willing to sell) could be derived from current comparable property sales prices in the area, a **“comps approach”** as well as using an **“income-based approach”** that considers the revenue stream from current tenants on the property. Therefore, this memo analyzes the rent needed based on the range of land values given these two approaches.

We identified vacant land sales (including contractor establishment sales) in the I-5 South Submarket using CoStar data. Most of the vacant land properties recently transacted (over the last 4 years) for approximately \$7 to \$17 per square foot of land. One improved land transaction (with a contractor establishment) had a sale price that indicated it transacted for \$26 per square foot of land. These observations served as our range of land prices using a comps approach. Many of these comps, both vacant land and contractor establishments, might have been leased to tenants and generated income, however, the prices they sold for could have been decided via an unknown variety of methods (including an income-based approach and then a subsequent negotiation). Therefore, for the purposes of this analysis, we refer to all these observed transactions as being within the “comps approach” method.

The income-based approach relied on data collected during interviews that indicated the rent for contractor yards in the area could range from \$0.18 to \$0.23 per square foot of land per month. We considered this gross annual revenue, net of approximately 5 percent for various operating costs, and divided by a range of capitalization (cap) rates (5 percent to 7 percent) to estimate the value. Using a cap rate is a common valuation approach in the commercial real estate industry. This analysis resulted in a range of \$19 to \$52 per square foot of land – considerably higher than most of the results from the comps approach. This approach more appropriately accounts for the value that current owners might apply to their future revenue stream from existing tenants and therefore the hurdle needed to incentivize owners to sell and change the use on the property. Although this income-based value could eventually be negotiated during a potential sale, we still use this range in our analysis to reflect values that a landowner might

Key Findings

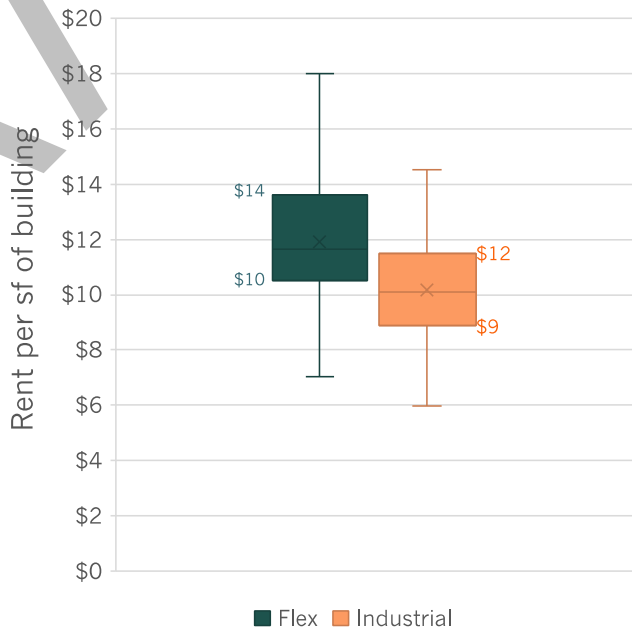
Current uses are generating substantial revenue with minimal management effort or risk.

Our market research and interviews highlighted that the rent for current uses ranged based on whether the site was mostly open land or if a building was present as well. Sites without buildings typically structured their rent per square foot of land, and this typically ranged from \$0.18 to \$0.23 per month. For example, a 1-acre site could generate annual gross rent of approximately \$95,000 to \$120,000 with minimal management effort or operating costs. (This is intended for illustrative purposes only and can scale to larger site sizes.)

Over the past four years, vacant land in the area has sold for around \$7 to \$17 per square foot. For the same, illustrative 1-acre site, this translates to sale prices ranging from \$305,000 to \$750,000. The resulting ratio of annual gross lease revenue to property value ranges from 13 percent (at \$0.18 per square foot rent per month relative to \$17 per square foot land value) to 39 percent (at \$0.23 per square foot rent per month relative to \$7 per square foot land value). This means that property owners who recently purchased land and rent it to contractor establishments could recover their investment within 2.5 to 8 years. For long-term landowners who have already paid off their investment, rents represent additional income with minimal effort. Either way, given the substantial revenue from these uses, a landowner has very little incentive to redevelop.

For sites with buildings and yards, rents are typically based on the building area and range from \$0.85 to \$1.30 per square foot of building per month, or \$10.20 to \$15.60 per square foot per year. In comparison, flex and industrial spaces in the I-5 South Submarket rent for \$9 to \$14 per square foot per year, meaning that rent for an existing contractor establishment building, with yard, is already achieving similar market rents to potential future uses. Not only are some of these contractor establishments already achieving comparable rents to flex and industrial uses, but they are also doing so without the risks of redevelopment (which include new capital investment, entitlements, the time to convert the land to the new use and generate revenue, and opportunity cost, among others).

Figure 1. Market Rent of Potential Future Uses



Source: EConorthwest analysis, CoStar

Rents would likely need to increase by at least one-third (33 percent), if not double (100 percent), to fund construction and create incentive to flip existing contractor establishments.

For our pro forma analysis, we evaluated a range of scenarios based on the variation in ownership and occupancy, future uses, future site utilization, and land acquisition costs (see Appendix for more detail). As previously discussed, ECONorthwest solved for the rent needed to cover these various costs and then compared to the potential market rent of the flex and industrial uses observed in the I-5 South Submarket. We show these results, for a range of potential land acquisition prices and construction costs.

We analyzed results for three different physical scenarios based on observed comparable developments (using the relationship between building square footage and site square footage):

- ◆ **Very high site utilization** based on 45 percent site coverage similar to Graham's Ferry Industrial Center. Note: future development in some portions of BCPA may face constraints due to natural site features or zoning standards that may make achieving this site utilization challenging.
- ◆ **High site utilization** based on 35 percent site utilization, similar to the Sherwood Commerce Center
- ◆ **Low site utilization** based on 20 percent site utilization, similar to observed flex and industrial uses built over the last 20 years in the I-5 South Submarket

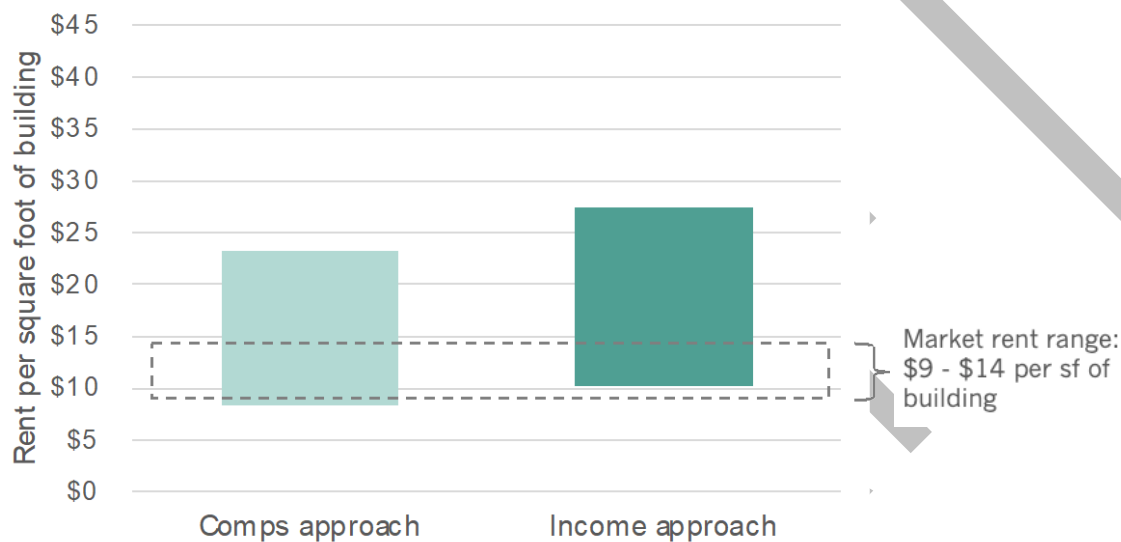
INTERPRETING THE RESULTS CHARTS

Development feasibility hinges on a range of different assumptions. Rather than picking one specific set of assumptions, the results charts shown in this memo encompass a range of potential assumptions, namely land acquisition costs and development costs.

ECONorthwest compared the feasibility results to both the comps approach and income approach - **one column** in the following charts showing the resulting range of rents needed if assuming a comps approach and **one column** showing the range needed based on an income approach. **Both columns** also include sensitivity testing given a range of construction costs and land prices which is reflected in the size of the bars (the same range is assumed for each of the land price method scenarios). **A dashed box** is also shown to represent the range of observed rents for potential future uses. The rent results would ideally be within, if not lower, than this range for the development to be feasible.

In the **very high site utilization** scenario, future flex and industrial uses are only feasible when land acquisition costs remain low—below \$20 per square foot—and other development costs are average or low. This combination of assumptions results in rents similar to the existing market rents of \$9 to \$14 per square foot of building (see comparison to gray bar shown in results chart in Figure 2). For properties with land costs higher than \$20 per square foot (common for land with existing uses), the market rent for flex and industrial uses would likely need to increase by at least one-third, if not double, (while construction costs remain constant) to make redevelopment feasible.

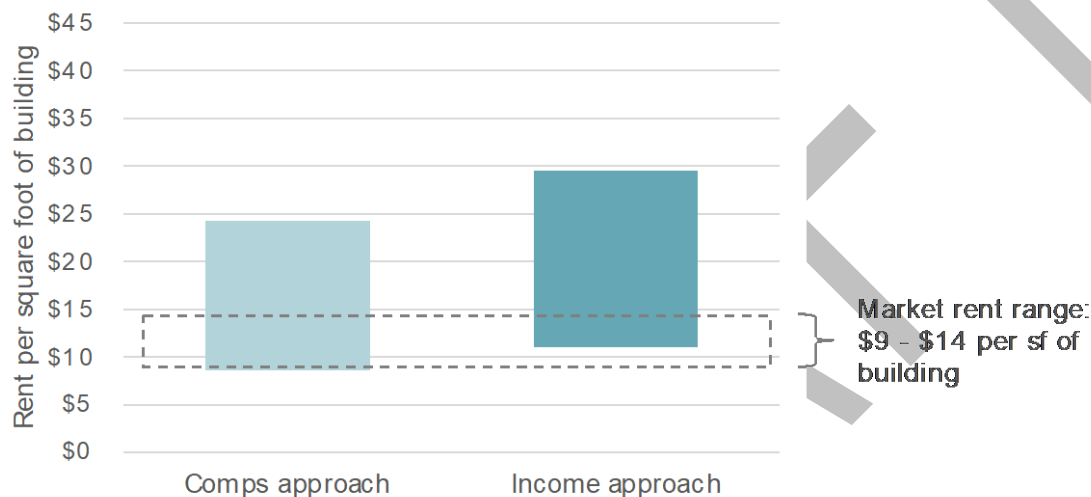
Figure 2. Rent needed for very high site utilization (45%)



Source: ECOnorthwest analysis

In the **high site utilization scenario**, the results are similar to the very high site utilization, but rents would need to increase more, relative to the very high site utilization scenario, to cover the same ranges of land and development costs. Future flex and industrial uses are only feasible when land acquisition costs remain low—below \$20 per square foot—and other development costs are average or low. This combination of assumptions results in rents similar to the existing market rents of \$9 to \$14 per square foot of building (see comparison to gray bar shown in results chart in Figure 3). For properties with land costs higher than \$20 per square foot (common for land with existing uses), the market rent for flex and industrial uses must increase by at least forty percent, if not double, (while construction costs remain constant) to make redevelopment feasible.

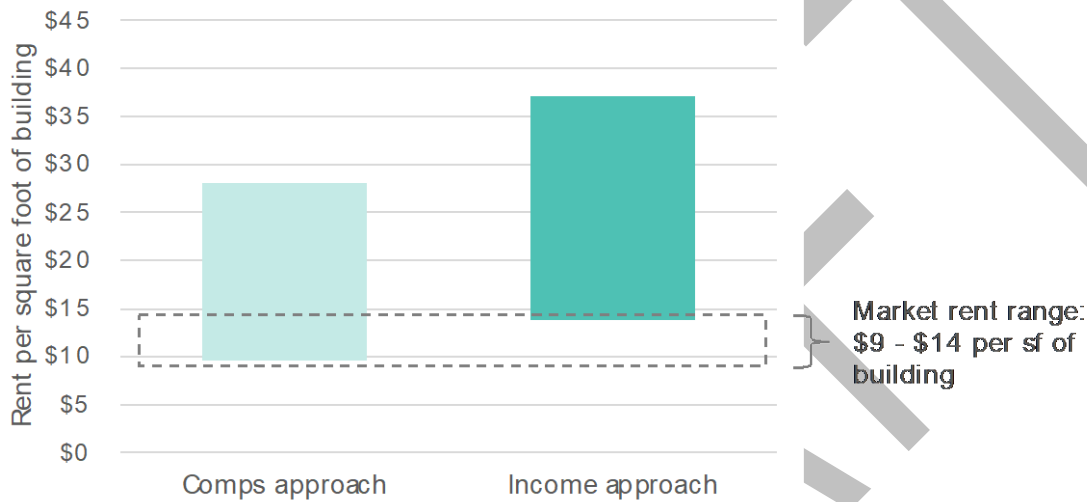
Figure 3. Rent needed for high site utilization (35%)



Source: ECOnorthwest analysis

In the **low site utilization scenario**, future flex and industrial uses are only feasible when acquisition costs are assumed to be low, less than \$10 per square foot of land (based on the low end of recent comparable sales of vacant land) and other development costs are low. This combination of assumptions results in rents similar to the existing market rents of \$9 to \$14 per square foot of building (see comparison to gray bar shown in results chart in Figure 4). For properties with existing uses (where land is likely to transact between \$19 and \$52 per square foot), the market rent for flex and industrial uses must double while construction costs remain constant to make redevelopment feasible.

Figure 4. Rent needed for low site utilization (20%)



Source: ECONorthwest analysis

Owner-occupied sites face greater feasibility challenges when landowners want to maintain their business operations.

Owner-occupied sites present more complex financial considerations compared to vacant or tenant-occupied properties. Landowners using their property for their own business must account for additional costs if they relocate, including relocation expenses, higher rents (or purchase prices) for new properties, and potentially higher ongoing business costs. For example, moving farther from suppliers or services could result in increased fuel or labor expenses.

To justify relocating their business, landowners would likely need to sell their property at an even higher price than what the quantitative analysis assumes. This requirement would, in turn, translate to higher rents than those shown in the results charts (Figure 3 and Figure 4). However, if the landowner does not intend to maintain their business, financial considerations would be less complex. Without the need to account for future business costs or the loss of contractor tenant income, necessary rents could align more closely with those projected in the comps approach.

Conclusion and Next Steps

Current contractor establishments generate significant revenue with minimal effort or risk, reducing financial incentives for redevelopment. Rents for existing contractor establishments, particularly those with buildings, are already comparable to market rates for industrial and flex uses in the I-5 South Submarket. Therefore, for redevelopment to become financially feasible, market rents would likely need to rise by at least one-third, if not double, depending on site utilization, land acquisition costs, and construction costs. Higher site utilization scenarios present some redevelopment feasibility when land acquisition costs are low (below \$20 per square foot). Conversely, properties with higher land costs or existing uses would require either substantially higher rents or have other development costs (e.g., construction, financing) reduce to achieve feasibility.

Owner-occupied properties are less likely to redevelop if the owner wants to maintain their business operations. Redevelopment is difficult for owner-occupants, as they must consider relocation costs and potential increases in operational expenses. Limited regional industrial land supply could push these businesses to relocate further from their markets, increasing costs for labor, transportation, and operations. Without substantial increases in land values or rents, redevelopment for these properties remains unlikely.

Achieving the City's development vision for Basalt Creek will require strategic interventions. Potential approaches could include purchasing and aggregating properties to create development-ready parcels, subsidizing infrastructure costs, adjusting system development charges (SDCs), offering other development incentives, or other strategies yet to be identified.

The findings in this memorandum are preliminary and will be refined through further analysis and discussions. This study is being conducted alongside updates to the buildable lands inventory and site suitability analysis. Ultimately, these components will be synthesized with insights from the Economic Inventory into a comprehensive final report that outlines key findings and actionable recommendations.

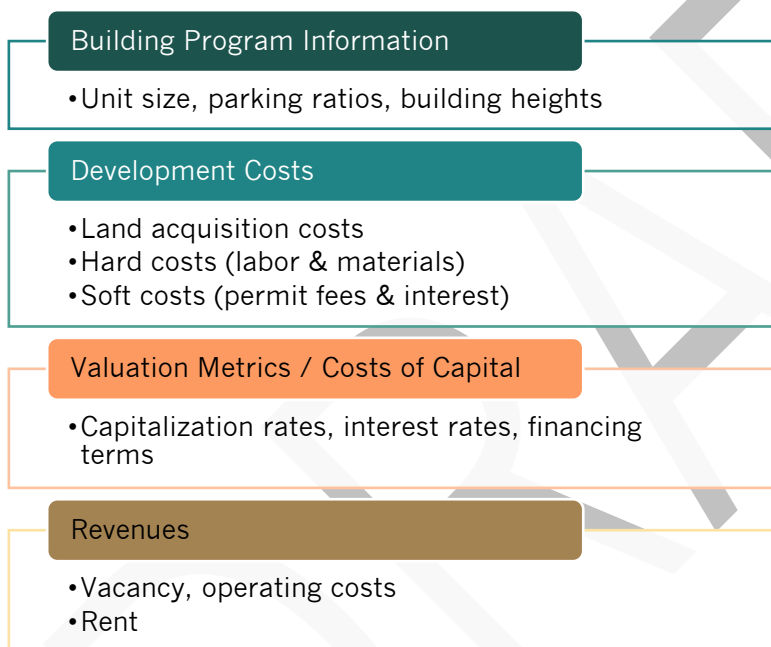
Appendix

Financial Feasibility Methods

To model development feasibility, ECONorthwest employed a pro forma model which is a common method used in real estate feasibility studies as it simulates the decision-making process of investors and lenders. The pro forma assesses the balance between development costs, expected revenue, and financing structure, which helps to identify viability gaps.

Figure 5. Factors used in the pro forma analysis

Source: ECONorthwest



This method provides a general analysis of prototypical development scenarios, or prototypes, without accounting for unique conditions that might influence development feasibility (e.g., higher predevelopment costs). Therefore, this analysis serves as a strong indicator of the relative likelihood of development rather than an absolute measure of feasibility.

The pro forma considers the site utilization and potential building program of each scenario, development hard costs (construction labor and materials), other development costs (soft costs, contingency, developer fee, etc.), costs of capital, relevant

operating costs, and land acquisition costs. It then calculates the rent required to cover these costs for each scenario.

Scenarios Evaluated

To establish relevant assumptions for the pro forma model, we first identified the scenarios needed to address the research questions. These scenarios were based on variations in current ownership and occupancy, potential future uses, and site utilization.

CURRENT SITE OWNERSHIP AND OCCUPANCY

We started with an understanding of the current site ownership and occupancy. Based on our understanding, there were three main categories:

- ◆ **Owners of vacant or unused land.** This category includes people who recently purchased land with the intent to develop and existing owners potentially interested in selling their land for new development.
- ◆ **Owners renting to contractor establishment tenants.** These owners might sell their property but would need compensation for the foregone future revenue from their tenants.
- ◆ **Owners using the land for their own contractor establishments.** Financial considerations for this group vary substantially. Landowners would need to account for upfront and ongoing costs associated with relocating their businesses, making this scenario more complex to quantify compared to vacant or tenant-occupied sites.

APPROACH TO ESTIMATING LAND PRICE

- ◆ **Vacant and underutilized land:** We used a comparable sales (“comps”) approach to estimate land price, which accounts for the sales price of recently purchased land, especially by those intending to develop (see the callout box on page 5 for details on the comps approach).
- ◆ **Tenant-occupied land:** For owners renting to contractor establishment tenants, we used an income-based approach to estimate the financial hurdle of land price. This better reflects the potential foregone revenue from tenants (see the callout box on page 5 for details on the income-based approach).
- ◆ **Owner-occupied land:** Due to varied business conditions of landowners who are using the land for their own contractor establishment, we evaluated this scenario qualitatively, considering insights from the other scenarios.

FUTURE BUILDING PROGRAMS

We then considered the potential future building programs that could occur on these former contractor establishment sites. We based the building square footage of our two prototypes on observed comparable flex and industrial spaces, based on CoStar data from the I-5 South Submarket. Key considerations included:

- ◆ **Site Utilization:** Over the past 20 years, average site utilization (building area relative to site area) in the I-5 South Submarket was about 20 percent. Recent developments like the Sherwood Commerce Center achieved 35 percent site utilization and Graham’s Ferry Industrial Center achieved 45 percent site utilization but this was enabled by maximizing impervious coverage for parking and truck logistics. Future development in some portions of the study area may face constraints due to natural site features or

zoning standards. We therefore modeled three prototypes to capture a range of potential future development conditions:

- **Low utilization:** 20 percent
- **High utilization:** 35 percent
- **Very high utilization:** 45 percent

CONSTRUCTION COSTS

Lastly, for the scenarios we modeled we evaluated a range of potential construction costs for flex and industrial uses. We referenced the **2024 National Building Cost Manual** by Craftsman to arrive at a range of potential construction costs for various building types that could house future flex and industrial uses. We conducted sensitivity testing of the potential rents needed to cover low to high construction costs, and the results that informed our key findings are inclusive of the range used.

The land cost, site utilization, and building costs were all assumptions that varied in our analyses as we conducted sensitivity testing of different scenarios (e.g., high site coverage, high land costs, high construction costs). All other pro forma assumptions we held constant. We describe the specifics of these assumptions in the section below.

Detailed Methods and Assumptions

To evaluate future flex or industrial rental uses, we began by calculating development costs. This involved applying the cost per square foot values (see Table 1) to the building square footage derived from the site utilization. From that construction cost we calculated the soft cost, contingency, and developer fees to arrive at the total development cost.

Given the potential range of sources of money to fund these projects, we used a high-level approach and assumed all sources of money that funded the project would require a 6 percent annual return based on a 30-year term. We calculated a payment inclusive of this return, based on the total development cost, to arrive at the rent needed to cover these annual costs. We also assumed these rents would be triple net and therefore the operating costs would be passed on to the tenant, which is common for flex and industrial lease terms. We highlight the specific assumptions of this analysis, and any relevant ranges, in the table in Table 1.

Table 1. Scenarios and Assumptions Used

Source: ECOnorthwest, CoStar, Redfin, Craftsman, Stakeholder Interviews

Assumption	Values
Land price	Ranged from \$7 to \$26 based on observed sales comps of vacant land as well as one sale observation of a contractor establishment. Ranged from \$19 to \$52 per square foot based on income-based approach.
Building program	(3) square footage estimates based on a calculation of 20% site utilization, 35% site utilization, 45% site utilization
Construction cost	\$75 to \$200 per square foot of building; \$20 per square foot of paving
Soft Costs	20% of hard costs
Contingency	5% of hard and soft costs
Developer fee	5% of hard and soft costs plus contingency
Costs of capital	5-7% annual interest range, 30-year term for all funding sources
Operating costs	Assumed triple net rents

DRAFT



PLANNING COMMISSION

WEDNESDAY, DECEMBER 11, 2024

WORK SESSION

4. CFEC Parking (Pauly)(30 Minutes)



PLANNING COMMISSION MEETING STAFF REPORT

Meeting Date: December 11, 2024		Subject: CFEC Parking Compliance and Standards Reform	
		Staff Member: Daniel Pauly, Planning Manager	
		Department: Community Development	
Action Required		Advisory Board/Commission Recommendation	
<input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda		<input type="checkbox"/> Approval <input type="checkbox"/> Denial <input checked="" type="checkbox"/> None Forwarded <input type="checkbox"/> Not Applicable	
		Comments:	
Staff Recommendation: Provide requested input on upcoming CFEC Parking Compliance and Standards Reform.			
Recommended Language for Motion: N/A			
Project / Issue Relates To:			
<input type="checkbox"/> Council Goals/Priorities:	<input type="checkbox"/> Adopted Master Plan(s):	<input checked="" type="checkbox"/> Not Applicable Required by State law	

ISSUE BEFORE COMISSION

This work session will introduce the Climate Friendly and Equitable Communities (CFEC) Parking Compliance and Standards Reform project to the Planning Commission, which the Commission will be working on during 2025. The work session will cover (1) the drivers of the project and (2) the scope. The intent is to give the Commission space to explore the topic before maneuvering into project decision-making.

EXECUTIVE SUMMARY:

The primary driver of the CFEC Parking Compliance and Standards Reform project is the State Climate Friendly and Equitable Communities (CFEC) Program. On March 10, 2022, Governor Kate Brown issued Executive Order 20-04, directing state agencies to reduce climate pollution. Executive Order 20-04 was in response to Oregon not meeting its climate pollution reduction goals, one of which was adopted in 2007 by state legislators to reduce the state's climate pollution by 75% by 2050. In response, the Oregon Land Use Conservation and Development Commission (LCDC) developed, and the State adopted, updates to Oregon's transportation and land use planning administrative rules (OARs). These new OARs and local government compliance with them are the core of the CFEC program.

Among the CFEC requirements is parking reform as laid out in OAR 660-012-0400 through 660-012-0450 (CFEC Parking Rules). Attachment 1 is a State handout summarizing the CFEC Parking Rules. Other CFEC requirements, such as those around transportation planning, will be subject to additional City projects in the coming years.

As explained in Attachment 1, the CFEC Parking rules aim to remove or substantially reform minimum parking requirements in local government codes based on the State's findings that minimum parking requirements over produce parking leading to, among other things, inefficient land use, less walkability, and more pollution from driving.

The CFEC Parking Rules have been challenged in court by various local governments. The City of Wilsonville was aware of the litigation but did not participate. In March 2024 the Oregon Court of Appeals largely rejected local governments' challenges to the rules (Court of Appeals Case Number A180037, CITY OF CORNELIUS et. al. vs DLCD, decision issued March 6, 2024). On August 8, 2024, the Oregon Supreme Court denied a petition to review, leaving the March Court of Appeals decision in place.

As has been the practice for State requirements with which the City must comply, the project will look at ways to best tailor the parking reforms to the Wilsonville context and community input and to leverage positive outcomes while complying with State law. This commitment to tailor to Wilsonville's context and find opportunities to continue to encourage quality and functional development is a second primary driver of the project. This is a similar approach as used in other State requirement projects such as the Middle Housing in Wilsonville project.

As shown in Attachment 1, the CFEC Parking Rules are broken into two phases, referred to by the State as "**Parking A**" and "**Parking B**".

Parking A are a set of rules already in effect superseding Wilsonville's Development Code, and the City has been applying them prior to the City Code being updated. Attachment 2 is a handout the City produced to help applicants, staff, decision makers, and other interested parties understand how the Parking A rules impact Wilsonville. Parking A rules limit minimum parking requirements for certain uses, particularly residential uses, and disallow requiring a

minimum amount of parking within $\frac{3}{4}$ miles of transit rail stations (like the WES Station on Barber Street) and within $\frac{1}{2}$ mile of the most frequent bus routes in the community (SMART Routes 4 and 2X). This latter transit proximity rule supersedes parking minimums in the Development Code for much of the City, including Frog Pond and Town Center. The only substantial areas of the City not covered by the transit proximity rule are Charbonneau, the western 2/3 of Villebois, and industrial areas in northwest Wilsonville (see map in Attachment 2).

For Parking A rules, the current project seeks to update the City's Development Code to be congruent with the rules already being applied. Staff notes, that while the City does not require a minimum amount of parking in the areas subject to the transit proximity rules, it is also not discouraging parking. Developments submitted under the rules have been considering market demand and the requirements of financing institutions lending on projects to determine how much parking to build.

Parking A rules also include a requirement for a certain amount of electric "EV Ready" parking spaces in new multi-family or mixed-use developments. These requirements are summarized in Attachment 3. Similar to other Parking A rules, this project will update the Development Code to be congruent with the rules already being applied.

Parking B rules require additional reform not yet completed by the City. This reform is the focus of the current project. The original deadline for compliance with Parking B was June 30, 2023, but the City previously requested and was granted an alternative date of June 30, 2025 for compliance. The granting of the alternative date took into account City staff capacity and alignment with the City's broader long-range work program. As described on Page 2 of Attachment 1, Parking B requires (1) the City to choose one of three options for parking reform related to minimum parking requirements and (2) institute design regulation improvements for parking areas such as tree canopy requirements.

Upcoming work sessions will first provide the Planning Commission with the needed information to make an informed recommendation about which of the three Parking B minimum parking requirement reform options to pursue. Once the option selection is confirmed by City Council, subsequent work sessions will review Development Code amendments that incorporate: (1) compliance with Parking A, (2) compliance with the selected Parking B minimum parking option, and (3) Parking B design regulation improvements.

As time and budget allows, the project team will also bring forward concepts for parking management strategies beyond the Development Code. However, certain parking management strategies will require work outside the scope of the current project.

Discussion Question:

- What questions does the Planning Commission have about the reasons (drivers), purpose, and scope of the CFEC Parking Compliance and Standards Reform project?

EXPECTED RESULTS:

Initial feedback and guidance on the upcoming CFEC Parking Compliance and Standards Reform project.

TIMELINE:

The Planning Commission and City Council will consider this over the coming months with final action required by June 30, 2025.

CURRENT YEAR BUDGET IMPACTS:

The consultant work on the project is funded by a \$20,000 grant from the Oregon Department of Land Conservation and Development (DLCD) with the City covering City staff time.

COMMUNITY INVOLVEMENT PROCESS:

Public work sessions will be held by the Planning Commission and City Council in addition to public hearings. An additional public event is planned for early 2025.

POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:

More efficient use of land and reduction of impacts on the climate.

ALTERNATIVES:

While alternatives are limited for compliance with some of the State rules, the City will explore available alternatives to best tailor the Development Code updates to Wilsonville's context.

ATTACHMENTS:

1. DLCD Parking Reform Summary (August 9, 2023)
2. City of Wilsonville Guide to Oregon Administrative Rules Superseding Parking Requirements in Wilsonville's Development Code (January 19, 2023)
3. City of Wilsonville Guide to Oregon Statute and Administrative Rules Requiring "Electric Vehicle Ready" Development (May 30, 2023)



Parking Reform Summary

August 9, 2023

Rules Implementing

OAR 660-012-0400 through 0450 (see also definitions in 0005 and deadlines and processes in 0012)

Who do the rules apply to, and when is action needed?

The parking reforms apply to the 48 Oregon cities in Oregon's eight metropolitan areas (Albany, Bend, Corvallis, Eugene/Springfield, Grants Pass, Portland Metro, Rogue Valley, Salem/Keizer), and counties in these areas with more than 5,000 people inside the urban growth boundary but outside city limits with urban sewer and water services (Clackamas, Marion, Washington).

Some of the rules have been directly effective since January 1, 2023; others since March 31, 2023. Some rules require local action by June 30, 2023, or an alternative date approved by the department.

Why reform costly parking mandates?

Parking mandates, also known as minimum parking requirements, are a one-size-fits-all approach that ends up hiding the costs of parking in other goods, from housing to business costs to wages. That means the costs of car ownership and use are subsidized, leading people to own more cars and drive more than they would if they were aware of the true costs. Providing 300 square-feet of parking lot for each car that wants a parking spot is a significant cost – in the thousands, and often tens of thousands, of dollars.

Because of the cookie-cutter approach of mandates, parking is often over-built, adding unnecessary costs, while pushing apart buildings and making areas less walkable. That means more driving, and more pollution.

A better approach, one that has been used by communities around the world for decades, is to let the free market provide parking where there is demand. Experience shows lenders usually require sufficient off-street parking, and developers will build it, especially when the on-street parking is properly managed.

How do cities and counties amend their codes to meet the requirements in the rules?

The cleanest path to meet rules requirements is to update local zoning and development codes to meet the requirements in OAR 660-012-0405 through 0415, and repeal all parking mandates. The provisions of 0425 through 0450 do not apply to communities without parking mandates.

Many of the requirements in 0405 through 0415 may already be in city code, as some of those provisions have been required by the Transportation Planning Rules for many years.

If a community prefers to keep some mandates, the provisions in 0425 through 0450 reduce the mandates and the negative impacts of remaining mandates.

Questions?

Evan Manvel
 Climate Mitigation Planner
 evan.manvel@dlcd.oregon.gov
 971-375-5979

Parking A – Reform Near Transit; Certain Uses by December 31, 2022

Item 4.

Apply to development applications submitted after December 31, 2022 (amend code or directly apply these rules)

0430 Cannot mandate more than 1 space/unit for residential developments with more than 1 unit
No mandates for small units, affordable units, child care, facilities for people with disabilities, shelters

0440 No parking mandates allowed within ¼ mile of rail stations or ½ mile of frequent transit corridors

0410 Electric Vehicle Charging *due March 31, 2023

- New private multi-family residential or mixed-use developments install conduit to serve 40% of units

Parking B – More Reform, Choose an Approach by June 30, 2023 or alternative date

0405 Parking Regulation Improvement

- Preferential placement of carpool/vanpool parking
- Allow redevelopment of any portion of a parking lot for bike or transit uses
- Allow and encourage redevelopment of underused parking
- Allow and facilitate shared parking
- New parking of more than ½ acre must install 40% tree canopy OR solar panels OR fee-in-lieu
- New parking of more than ½ acre must have trees along driveways (or 30% tree coverage)
- Pedestrian connections through large parking lots
- Parking maximums in appropriate locations (in existing TPR)

0415 Provisions Specific to More Populous Cities

- Cities >25,000 in metro or >100,000 outside set certain parking maximums in specified areas (additional provisions for 200,000+ population cities, i.e. Portland, are not listed here)

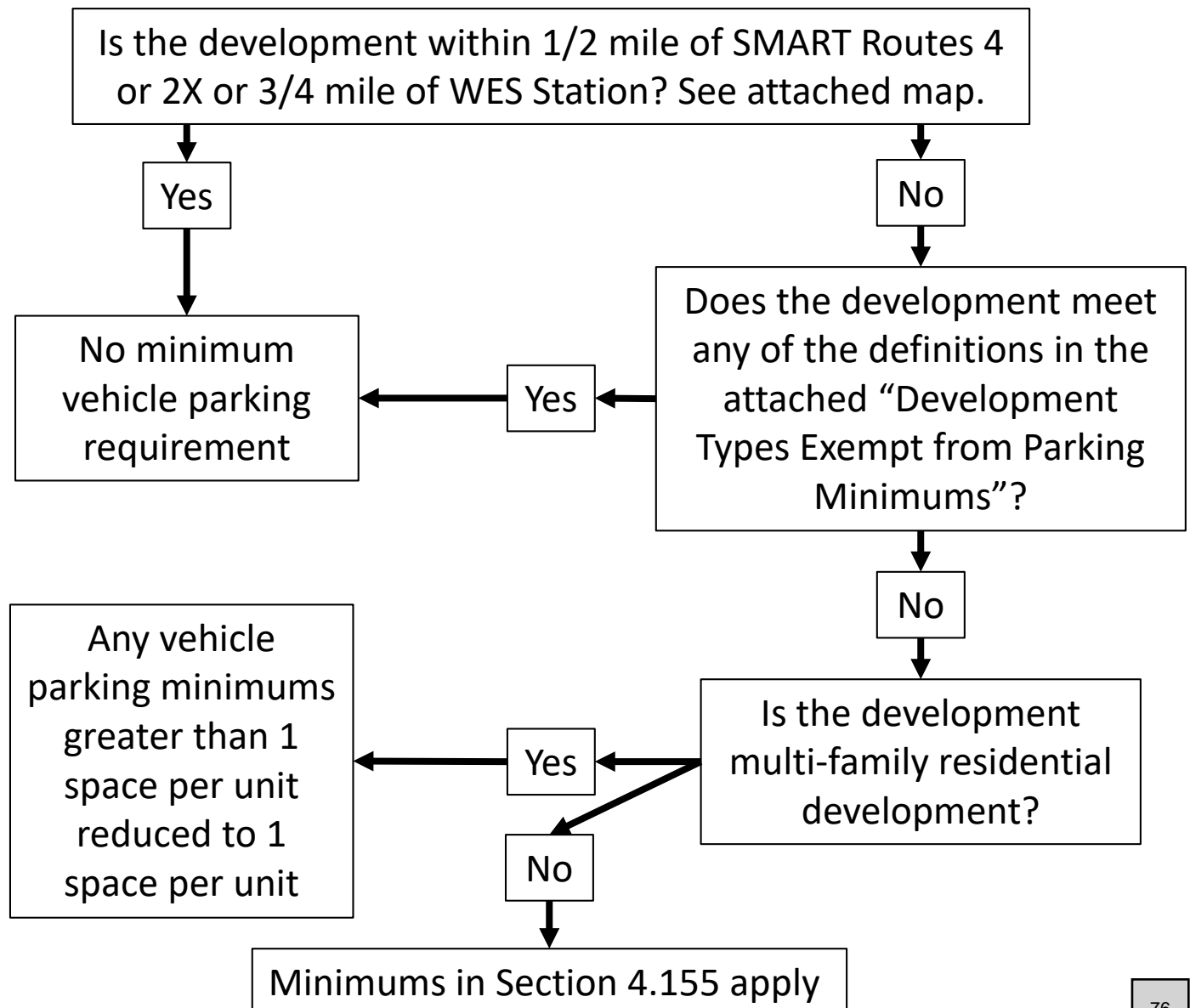
0420-0450 Three options for parking reform

Option 1 660-012-0420	Options 2 and 3 660-012-0425 through 0450	
Repeal parking mandates	Reduce parking burdens – reduced mandates based on shared parking, solar panels, EV charging, car sharing, parking space accessibility, on-street parking, garage parking. May not require garages/carports.	
	Climate-friendly area parking – remove mandates in and near climate-friendly areas or adopt parking management policies; unbundle parking for multifamily units	
	Cities pop. 100,000+ adopt on-street parking prices for 5% of on-street parking spaces by September 30, 2023 and 10% of spaces by September 30, 2025	
No additional action needed	Option 2 enact at least two of five policies	Option 3 all of the below
	<ol style="list-style-type: none"> 1. Unbundle parking for residential units 2. Unbundle leased commercial parking 3. Flexible commute benefit for businesses with more than 50 employees 4. Tax on parking lot revenue 5. No more than ½ parking space/unit mandated for multifamily development 	<p>No mandates for a variety of specific uses, small sites, vacant buildings, studios/one bedrooms, historic buildings, LEED or Oregon Reach Code developments, etc.</p> <p>No additional parking for changes in use, redevelopments, expansions of over 30%.</p> <p>No mandates within ½ mile of climate-friendly areas, Metro 2040 centers.</p> <p>Designate district to manage on-street residential parking, or unbundle parking multi-family.</p>



Guide to Oregon Administrative Rules Superseding Parking Requirements in Wilsonville's Development Code

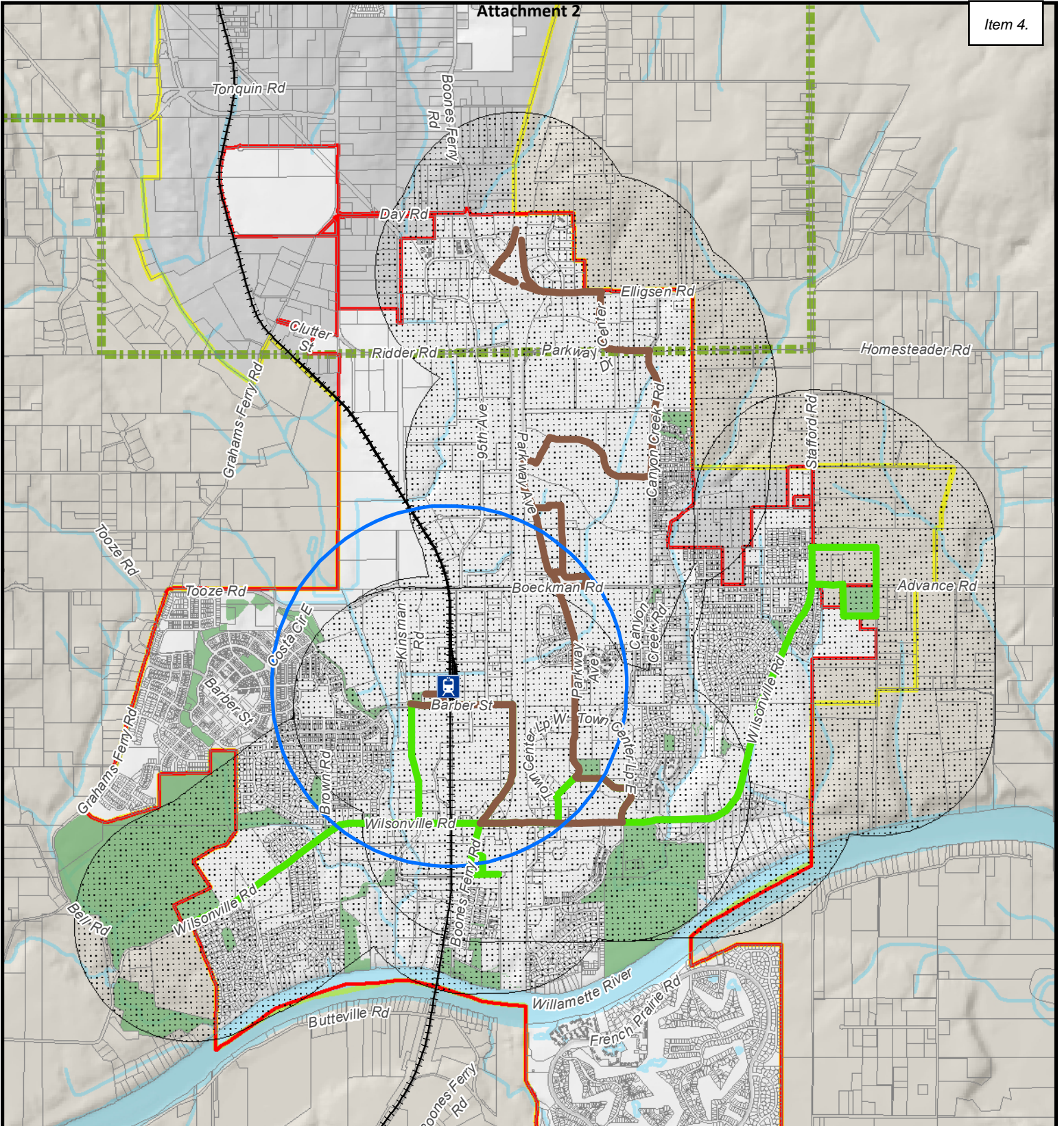
Pursuant to OAR 660-012-0430 and OAR 660-012-0440 certain State rules take precedence over any conflicting parking standards in Wilsonville's Development Code beginning January 1, 2023. In particular, a number of the vehicle parking minimums reflected in Table 5 of Section 4.155 are superseded. Use the following flow chart to determine what parking standards to apply.



Development Types Exempt from Parking Minimums Under OAR 660-012-0430

An Attachment to “Guide to Oregon Administrative Rules Superseding Parking Requirements in Wilsonville’s Development Code”

- Facilities and homes designed to serve people with psychosocial, physical, intellectual or developmental disabilities, including but not limited to a: residential care facility, residential training facility, residential treatment facility, residential training home, residential treatment home, and conversion facility as defined in ORS 443.400.
- Child care facility. Definition in ORS 329A.250: any facility that provides child care to children, including a day nursery, nursery school, child care center, certified or registered family child care home or similar unit operating under any name. Exemptions apply. See exemption list in ORS 329A.250 (5) (a)-(d).
- Single-room occupancy housing.
- Residential units smaller than 750 square feet. Note: Accessory Dwelling Units (ADUs) have no parking required in Wilsonville’s Development Code.
- Affordable housing. Summary of definition in OAR 660-039-0010 (see OAR for full definition): housing affordable to households making 80% or less of median income without assistance, except for spaces in manufactured dwelling parks where income is 100% or less of median income.
- Publicly supported housing. Summary of definition in as defined in ORS 456.250 (see ORS 456.250 (6) for full definition): multi-family housing receiving benefits from government assistance including HUD, Department of Agriculture. Does not include units for which developer received only fee waiver as part of development, or receives only Section 8 housing vouchers or similar.
- Emergency and transitional shelters for people experiencing homelessness.
- Domestic violence shelters.



The City of Wilsonville, Oregon
 Clackamas and Washington Counties

**Areas exempt from vehicle parking
 minimums pursuant to OAR
 660-012-0440**



1/6/2023

Miles
 0 0.25



- WES Stop + 3/4 Mile
- Wilsonville City Limits
- SMART 4 & 2X + 1/2 Mile
- County Boundary
- SMART Route 2X
- UGB
- SMART Route 4

Planning Commission Meeting - December 11, 2024
 CEFC Parking



Guide to Oregon Statute and Administrative Rules Requiring “Electric Vehicle Ready” Development

House Bill 2180 (2021) ORS 455.417 “HB 2180” requires, effective July 1, 2022, certain new development to provide electrical service capacity for electric vehicles to at least 20% of parking spaces. Providing electrical service capacity includes providing: (A) **necessary electrical service** or designating adequate space for necessary electrical services **and** (B) a **conduit system** from provided or planned electrical service to the required percentage of parking spaces.

OAR 660-012-0410(1) and OAR 660-012-0012(5) “CFEC Rules” require, effective March 31, 2023, the 20% required by HB 2180 be doubled to 40% for new multi-family and mixed use development. Note the statutory 20% requirement is in the Building Code, but the added CFEC Rules 20% is not. It is enforced during land use review.

What Percent of “Electric Vehicle Ready” Spaces is Required for A New Development?

HB 2180 (20% of spaces)

- Private commercial and industrial parking areas

CFEC Rules (40% of spaces)

- Multi-family buildings with 5 or more units
- Mixed-use commercial/residential buildings (5+ units)

Not Required (0% of spaces)

- Other residential buildings
- Public buildings and parking areas

Resources:

[ODOT Transportation Electrification](#)
[ODOT Community Charging Rebates Program](#)
[Oregon Department of Land Conservation and Development Implementation Guidance](#)



PLANNING COMMISSION
WEDNESDAY, DECEMBER 11, 2024

INFORMATIONAL

5. Frog Pond East and South Infrastructure Funding Plan (Pauly)(15 Minutes)



PLANNING COMMISSION MEETING STAFF REPORT

Meeting Date: December 11, 2024		Subject: Frog Pond East and South Infrastructure Funding Plan	
		Staff Member: Daniel Pauly, Planning Manager; Amy Pepper, Development Engineering Manager	
		Department: Community Development	
Action Required		Advisory Board/Commission Recommendation	
<input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input checked="" type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda		<input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable	
		Comments:	
Staff Recommendation: N/A			
Recommended Language for Motion: N/A			
Project / Issue Relates To:			
<input checked="" type="checkbox"/> Council Goals/Priorities: Expand home ownership	<input checked="" type="checkbox"/> Adopted Master Plan(s): Frog Pond East and South Master Plan	<input type="checkbox"/> Not Applicable	

ISSUE BEFORE PLANNING COMMISSION

An important implementation step in realizing the vision of the Frog Pond East and South Master Plan, in addition to the Development Code the Commission has worked so much on, is to adopt an Infrastructure Funding Plan (IFP). The IFP will guide creation of more detailed financing plans and development agreements for individual infrastructure projects and developments as the Frog Pond East and South neighborhoods develop. On November 18, 2024

City Council adopted the IFP for Frog Pond East and South (Attachment 1) via Resolution No. 3121. The informational item will share what is in the adopted IFP to allow the Planning Commission to be aware of this implementation step and how it relates to the Development Code, Transportation System Plan update, and Master Plan the Commission previously reviewed and recommended approval of to the City Council.

EXECUTIVE SUMMARY:

The Frog Pond East and South Master Plan, adopted by City Council in December 2022, provides clear policy direction and guidance for future development in Frog Pond East and South. An important implementation step is to develop an Infrastructure Funding Plan (IFP) to guide how the needed road, sewer, storm, water, park, and trail projects, previously adopted in the Frog Pond East and South Master Plan and incorporated into respective infrastructure Master Plans, will be funded to serve the future development. The IFP will be the guide to more detailed finance plans and development agreements for individual infrastructure projects and developments as they get planned, designed, and built over the next couple decades.

Attached the Commission will find three documents. First is the adopted IFP (Attachment 1). Second, is a Technical Attachment (Attachment 2) showing analysis supporting the IFP, and Third is a methodology explanation of the technical analysis (Attachment 3). Also attached for reference are the prior Frog Pond Area Plan and Frog Pond West Master Plan IFPs (Attachments 4 and 5).

Background

On November 15, 2015, the City Council adopted the Frog Pond Area Plan, which includes an IFP (Appendix H of the Area Plan, see Attachment 4). The IFP adopted with the Area Plan evaluates the infrastructure needs for the entire 500-acre Frog Pond area and offers strategies of how to fund those infrastructure improvements. As part of the Frog Pond West Master Plan, adopted by Council in July 2017, the IFP was updated with revised infrastructure projects, associated costs, and more detailed and refined funding mechanisms necessary to implement the Frog Pond West Master Plan (see Attachment 5). The 2022 Frog Pond East and South Master Plan further refined the infrastructure necessary to serve the Frog Pond East and South planning area. However, the Frog Pond East and South Master Plan deferred an update to the IFP, allowing staff, consultants, and stakeholders additional time to work through the necessary details to ensure efficient, cost effective, and equitable implementation of the infrastructure necessary to realize the Frog Pond East and South Master Plan.

Nature and Intention of the Funding Plan

Both IFPs in the Area Plan and Frog Pond West Master Plan rely on and reflect the general citywide policies and practices regarding provision of infrastructure improvements as part of development. These previously adopted City policies and practices continue as the baseline assumptions for the Frog Pond East and South IFP and are discussed in detail in **Attachment 1**.

Frog Pond East and South Infrastructure Summary

Consistent with the approach in the Frog Pond West IFP, and as further explained below, the infrastructure needed to serve the Frog Pond East and South area has been grouped into three different categories: off-site infrastructure, on-site infrastructure and “Framework” or “Master Plan” infrastructure. The Framework or Master Plan infrastructure projects are the primary focus of the IFP. The Frog Pond East and South IFP uses the term “framework projects” or “framework infrastructure” to refer to these projects.

Off-site Infrastructure includes large projects that serve the broader Wilsonville community, are funded through System Development Charges (SDCs) generated by development throughout the City and through other City resources and are generally located outside of the Frog Pond East/South area. Examples include:

- Water line crossing Boeckman Creek at the west end of Frog Pond Lane
- Water line crossing of Meridian Creek south of Meridian Creek Middle School
- Boeckman Creek sanitary sewer trunk line
- West side water reservoir
- Boeckman “Dip” Bridge
- Stafford-65th-Elligsen Roundabout
- Advance Road Community Park

On-site Infrastructure includes local projects which serve development of individual properties. Individual developers are responsible for construction and costs of construction of these projects. Examples include:

- Local streets and sidewalks
- Sanitary sewer mains
- Water mains
- Stormwater management
- Neighborhood parks

“Framework” or “Master Plan” Infrastructure includes projects that do not fall within the previously described off-site or on-site infrastructure categories due to one or more of the following factors:

- The project includes an “oversize” component that provides capacity beyond the City’s minimum standard to serve future development in Frog Pond East and South or other offsite areas.
- The project crosses multiple property ownerships not expected to develop concurrently.
- The project may be too large and expensive for any single developer to complete.
- The project may have geographically concentrated costs, but benefits all of Frog Pond East, South, or both.

The Frog Pond East and South IFP focuses on funding policy and funding options for the following Framework Infrastructure projects:

- SW Stafford Road, including sanitary sewer and water
- SW Advance Road, including sanitary sewer and water
- Frog Pond East Neighborhood Park
- Frog Pond East BPA Easement Trail
- Frog Pond South Neighborhood Trail
- SW 60th Avenue, including water and storm
- Frog Pond East - Kahle East sanitary lift stations and force main
- Frog Pond East - Advance East sanitary lift station and force main
- Frog Pond South sanitary lift station and force main

Default and Anticipated Primary Funding Strategy

As documented in the Frog Pond East and South IFP Technical Appendix (Attachment 2), based on the anticipated development phasing it is projected that there will be sufficient SDC revenue generated from development within Frog Pond East and South planning area to account for both City SDC infrastructure funding responsibilities and SDC credits issued to developers for the “oversized” portion of developer-constructed infrastructure, in accordance with existing City policies and practices for development. Having no other identified funding sources, the adopted IFP for Frog Pond East and South focuses on this well-established methodology whereby the developer constructs the required infrastructure and is issued SDC credits for the “oversized” portion.

Additional Alternative Funding Strategies for Case-by-Case Consideration

As discussed above, the default and anticipated primary funding strategy in Frog Pond East and South is issuing SDC credits for developer-built infrastructure that is the City’s responsibility. However, Council approved a menu of alternative strategies for potential use. These strategies would be approved by Council on a case-by-case basis through future development agreements or detailed project-specific financing plans. Use of the alternative strategies would be most relevant with large capital costs early in the Frog Pond East and South development phases, when additional infrastructure funding support is desired by the City to spur development, or if there are changes to infrastructure phasing assumptions that affect SDC cash flow as development occurs over time.

The following are funding strategies that have been assessed and included in the IFP as potential alternative strategies. The IFP contains further details of each of these strategies as well as examples of framework projects they may be well suited to.

- Supplemental Infrastructure Fee
- Reimbursement District
- Local Improvement District (LID)
- Direct CIP Investment Using Citywide SDCs

- Localized Utility Rate Surcharge
- Urban Renewal District
- Grants and Investments by Other Governments

Conclusion

The exact timing and costs of Frog Pond East and South infrastructure is still unknown, despite the City gathering the best information available to date. The IFP includes analysis that shows that building out the infrastructure can primarily rely on existing policies revolving around SDC credits, but also provides a menu of optional strategies for use, in partnership with developers, as needed and desired. As land use entitlements are pursued the City will partner with developer(s) to establish specific financing plans and agreements for the subject development(s) using the framework established in the IFP.

EXPECTED RESULTS:

The Planning Commission will be informed of the Frog Pond East and South Infrastructure Funding Plan adopted by City Council in November.

TIMELINE:

N/A

CURRENT YEAR BUDGET IMPACTS:

The infrastructure funding work was funded by remaining funds from the \$350,000 Metro grant for the Frog Pond East and South Master Plan and matching City funds in the form of staff time.

COMMUNITY INVOLVEMENT PROCESS:

During this implementation phase the primary focus was on honoring past input. However, the project team continued to engage key stakeholders for input on the Infrastructure Funding Plan, particularly developers.

POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:

Realization of the policy objectives set out in the Frog Pond East and South Master Plan to create Wilsonville's next great neighborhoods. This includes furthering of the City's Equitable Housing Strategic Plan and Council's goal of affordable home ownership.

ALTERNATIVES:

N/A

ATTACHMENTS:

1. Frog Pond East and South Master Plan Infrastructure Funding Plan (FP E+S IFP)
2. FP E+S IFP Technical Attachment
3. FP E+S IFP Technical Attachment Support Information
4. Appendix H of Frog Pond Area Plan-Infrastructure Funding Plan
5. Frog Pond West Infrastructure Funding Plan

FROG POND EAST AND SOUTH INFRASTRUCTURE FUNDING PLAN

On November 15, 2015, the Wilsonville City Council (Council) adopted the Frog Pond Area Plan, which includes an Infrastructure Funding Plan (Appendix H of the Frog Pond Area Plan). The funding plan evaluates the infrastructure needs for the entire 500-acre Frog Pond area and offers strategies of how to fund those infrastructure improvements. As part of the Frog Pond West Master Plan, adopted by Council in July 2017, the Infrastructure Funding Plan was updated with revised infrastructure projects, associated costs, and more detailed and refined funding mechanisms necessary to implement the Frog Pond West Master Plan. In December 2022, Council approved the Frog Pond East and South (“FPE/S”) Master Plan (“Master Plan”). However, the FPE/S update to the Infrastructure Funding Plan was deferred, allowing staff, consultants, and stakeholders additional time to work through the necessary details to ensure efficient, cost effective, and equitable implementation of the infrastructure necessary to realize the FPE/S Master Plan vision.

This FPE/S Infrastructure Funding Plan (“Funding Plan”) memorializes the analysis done for the FPE/S infrastructure identified in the Master Plan and how this Funding Plan relates to, refines or changes the information available and assumptions made as part of the Frog Pond Area Plan, Appendix H: Infrastructure Funding Plan and Frog Pond West Infrastructure Funding Plan update. Both infrastructure funding plans in the Area Plan and Frog Pond West Master Plan rely on and reflect general citywide policy and practice regarding provision of infrastructure improvements as part of development. These previously adopted City policies and practices will continue to establish the baseline assumptions for the FPE/S Funding Plan.

In addition, review of the previous Frog Pond funding plan assumptions is intended to provide the foundation for developing the FPE/S Funding Plan, helping to inform and to establish funding needs and assess potential funding mechanisms needed to support implementation of the FPE/S Master Plan. This analysis is based on work by City staff from the Community Development Department, including Engineering and Planning, the Community Development Director, City Attorney, and Finance Director. City staff was supported by experts on municipal finance from FCS Group. Infrastructure costs were prepared as part of the FPE/S Master Plan by DKS Associates and Consor. Together this group is referred to in the memo as the “Project Team.” This Funding Plan is intended to provide an overarching strategy for future financing tools that may be used to support specific development projects and related infrastructure needs but is not intended to limit the specific financial package that may be needed to support those particular developments and projects.

Summary of Frog Pond East and South

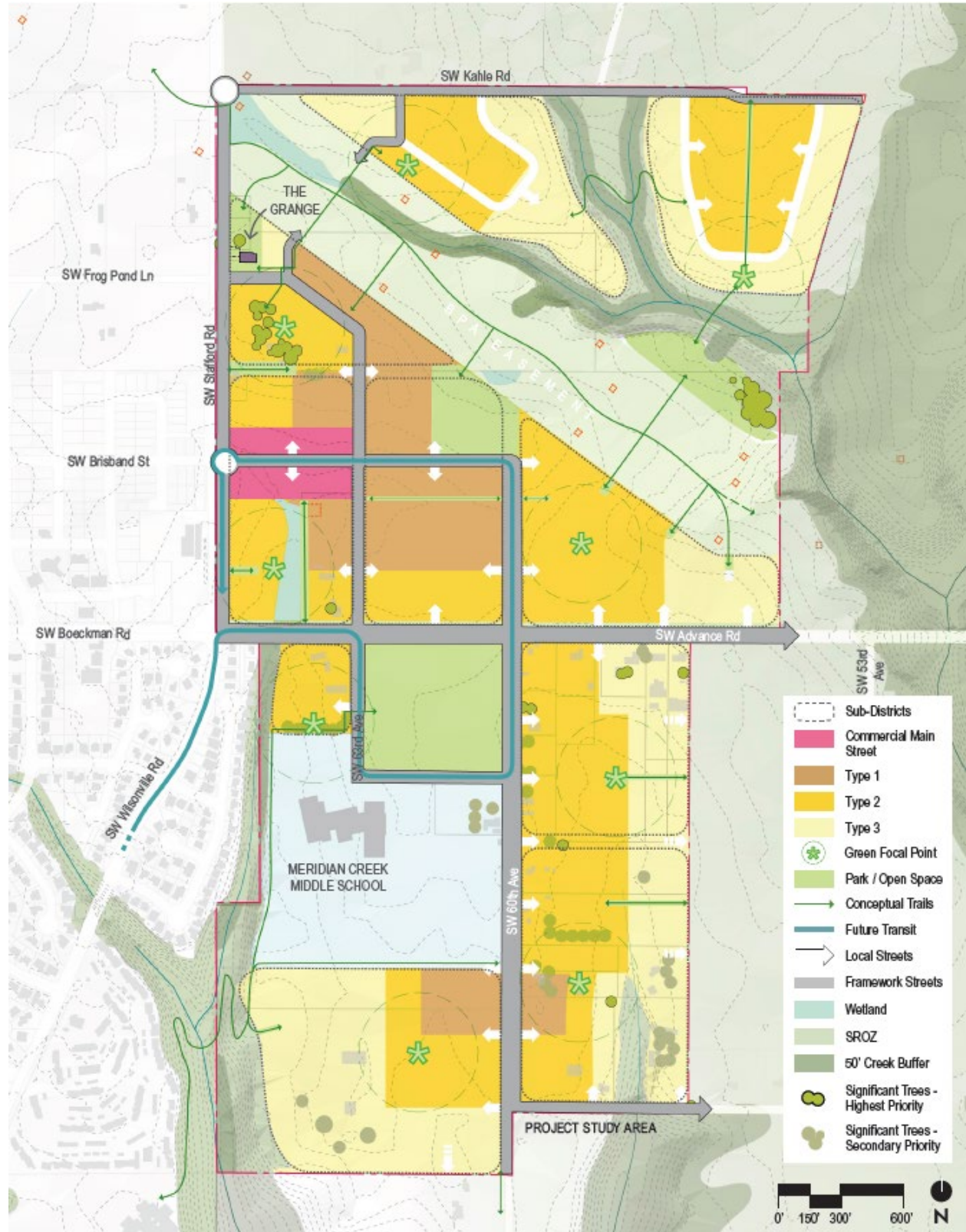
The Frog Pond East and South planning area, as shown in Figure 1 below is approximately 300 acres in size with approximately 176 acres gross development area, which excludes known development constraints including natural resource and the extensive Bonneville Power Administration (BPA) easement areas. The Master Plan area includes the following general attributes, which influence the

Funding Plan. More information about development assumptions can be found in Section 1 of Attachment 1. Here are some highlights of the Master Plan area:

- A minimum of 1325 housing units are required to be built under the Master Plan pursuant to a Condition of Approval in Metro Ordinance No. 18-1427. The assumed split is 926 within the Frog Pond East area and 399 within the Frog Pond South area.
- The housing units are anticipated to include a wide variety of types including apartments, middle-housing, detached homes, cottages and accessory dwelling units (ADUs), resulting in more housing variety than Frog Pond West.
- A vertical mixed-use development is planned on Brisband Street at the intersection with Stafford Road, estimated to have up to 22,000 square feet of ground floor commercial space with up to four floors of residential above. This is identified in Figure 1 as “commercial main street.”
- There are 8 different property owners (as of 2024) in Frog Pond East and 31 property owners in Frog Pond South. Parcels range in size from just over an acre to 94 acres.
- The West-Linn Wilsonville School District owns a 27-acre site within Frog Pond South, which is home to Meridian Creek Middle School and a 2-acre land banked parcel e adjacent to the middle school site.
- The City owns a 10-acre site in Frog Pond South at the corner of Boeckman Road and 65th Avenue, which is planned as a future park site.
- Most of the Frog Pond East and South area is currently outside the city limits, with the exception of the middle school site.
- The entirety of the Frog Pond East and South area is within the Urban Growth Boundary.
- Property owners, particularly in the Frog Pond East area, have expressed an interest in development of their properties in the near term.

This information provides the basis for the development phasing schedule included in the FPE/S Funding Plan, informing the location and pace of development and helping determine when and where infrastructure will be needed first.

Figure 1. Frog Pond East and South Land Use Plan



Frog Pond East and South Infrastructure Summary

Consistent with the approach in the Frog Pond West Funding Plan, the infrastructure needed to serve the Frog Pond East/South area has been grouped into three different categories, as described below. “Off-site” and “Framework” or “Master Plan” infrastructure projects have been previously identified and adopted in the City’s infrastructure master plan documents for Transportation, Water, Sanitary Sewer, and Stormwater.

- **Off-site Infrastructure** includes large projects that serve the broader Wilsonville community, are funded through System Development Charges (SDCs) generated by development throughout the City and through other City resources, and are generally located outside of the Frog Pond East/South area. While these projects serve a broader area than Frog Pond East/South, development within Frog Pond East/South will utilize this infrastructure as well and does have a responsibility to contribute to this infrastructure. Examples include:
 - Water line crossing Boeckman Creek at the west end of Frog Pond Lane
 - Water line crossing of Meridian Creek south of Meridian Creek Middle School
 - Boeckman Creek sanitary sewer trunk line
 - West side water reservoir
 - Boeckman “Dip” Bridge
 - Stafford-65th-Elligsen Roundabout
 - Advance Road Community Park
- **On-site Infrastructure** includes local projects which serve development of individual properties. Individual developers are responsible for construction and costs of construction of these projects. Examples include:
 - Local streets and sidewalks
 - Sanitary sewer mains
 - Water mains
 - Stormwater management
 - Neighborhood parks
- **“Framework” or “Master Plan” Infrastructure** is the primary focus of this FPE/S Funding Plan. These are called “Framework Projects” in the Area Plan Funding Strategy and “Master Plan Infrastructure” in the Frog Pond West Funding Plan. For this memo and the FPE/S Funding Plan the term “framework projects” or “framework infrastructure” will be used. These projects differ from off-site and on-site infrastructure due to the following factors:
 - Serves the Frog Pond East/South development and includes an “oversize” component that provides capacity beyond the City’s minimum standard to serve future development in FPE/S or other offsite areas.
 - Crosses multiple property ownerships
 - May be too large and expensive for any single developer to complete
 - May have geographically concentrated costs (sanitary lift station), but benefits all of Frog Pond East, South, or both.

The emphasis of the FPE/S Funding Plan is to identify strategies and tools appropriate to fund Framework Infrastructure. While discussed briefly below, Section 1 of Attachment 1 includes a list of needed FPE/S

Framework Infrastructure projects and estimated costs. Funding for off-site and on-site infrastructure is addressed through the City's existing policies.

Frog Pond East and South Framework Infrastructure Projects

The FPE/S Funding Plan focuses on funding options for the following key framework infrastructure projects. Infrastructure Funding Strategy framework projects within the FPE/S area:

1. Stafford Road, including sanitary sewer and water
2. Advance Road, including sanitary sewer and water
3. Frog Pond East Neighborhood Park
4. Frog Pond East BPA Easement Trail
5. Frog Pond South Neighborhood Trail

Additional framework infrastructure projects not part of the Frog Pond Area Plan added as part of the FPE/S Master Plan include:

6. 60th Avenue, including water and storm
7. Frog Pond East - Kahle East sanitary lift stations and force main
8. Frog Pond East - Advance East sanitary lift station and force main
9. Frog Pond South sanitary lift station and force main

Citywide Policies and Practices Related to Infrastructure Funding

Consistent with the Frog Pond Area Plan Infrastructure Funding Strategy and Frog Pond West Funding Plan, the Frog Pond East/South Funding Plan uses the City's existing policies and practices as a basis for planning, as summarized below:

- Developers pay for and construct the "local portion" of infrastructure required to serve their developments, as explained in adopted City policies (Wilsonville Code, Transportation System Plan, and Public Works Standards).
- Developers also initially pay for and construct the "oversize portion" (infrastructure that exceeds the minimum required), and then receive credits against System Development Charges (SDC) due at the time of each building permit ("SDC credits").
- When necessary, the City may pay for infrastructure elements that are:
 - Identified by existing adopted citywide infrastructure master plans (e.g. Water Distribution Master Plan or the Transportation System Plan) and included in the City's five-year Capital Improvement Program (CIP); or
 - Abutting already-developed areas, city-owned land, or land not expected to develop/redevelop by 2045.
- The City may implement a variety of tools to facilitate and coordinate infrastructure delivery, including SDCs and SDC credits, a supplemental fee, reimbursement districts/agreements, Local Improvement Districts (LID), and development agreements.

Frog Pond East and South Framework Infrastructure Cost Allocation – Current City Policy

The total cost of the nine FPE/S framework infrastructure projects is allocated to different parties under current City policy. The FPE/S Infrastructure Funding Plan Technical Attachment (Attachment 1) details estimated costs, allocates those costs, and includes a revenue analysis based on anticipated development to inform the FPE/S infrastructure funding plan. Each FPE/S framework infrastructure project is described below with relevant cost allocation information. The following funding allocation, per current City policy, does not preclude the City from considering additional funding strategies to assist developers with construction of needed framework infrastructure as detailed in “Additional Funding Sources for Consideration” section of this Plan.

1. Stafford Road (including sanitary sewer and water). Stafford Road includes a local portion attributable to Frog Pond East and a local portion attributable to Frog Pond West. In addition, there is an oversized portion in excess of the local portion for both East and West. Stafford Road improvements also include two roundabouts at SW Kahle Road and SW Brisband Street, as well as intersection improvements at SW Frog Pond Lane.
 - a. West Portion of Stafford Road
 - i. The Frog Pond West Infrastructure Funding Plan implemented a supplemental fee assessed for each equivalent dwelling unit built within the Frog Pond West neighborhood. This supplemental fee will pay for the construction of the western “local portion” of Stafford Road, including a water and sewer pipeline from Kahle Rd. to Boeckman Rd.
 - ii. City will provide an SDC contribution for the west portion of Stafford Road that exceeds the “local portion” of the road and any oversized portion of the water and sewer pipeline.
 - iii. The west portion of Stafford Road, including the water and sewer pipeline, could be built by the City as a standalone phase of the planned Stafford Road improvements or funded by the City and constructed with the east portion of Stafford Road and/or intersection improvements as part of an agreement with FPE/S local development.
 - b. East Portion of Stafford Road
 - i. Current City policy states developers along Stafford Road are responsible to develop their “local portion” of Stafford Road. Since the relevant Stafford Road frontage serves Frog Pond East, developing the “local portion” of the east side of Stafford Road is the responsibility of the adjacent developers.
 - ii. Also, under current City policy, developers may receive SDC credits for constructing the remainder of the east side of Stafford Road, which exceeds the “local portion” of the road.
 - iii. Establishment of a Frog Pond East per door infrastructure fee to pay for the east portion of Stafford Road, like was implemented in Frog Pond West to pay for the west portion of Stafford Road, is not recommended for the following reasons:

- a) Frog Pond West consisted of many smaller development lots, many internal to the area without direct frontage on the higher classified roadways, such as Boeckman Road and Stafford Road, but such internal developments utilize the facilities and should be responsible for contributing to the “local portion” cost of the western portion of Stafford Road. The Frog Pond West supplemental infrastructure fee allowed for roadway improvements to occur in less phases and an equitable distribution of costs across the entire area. Frog Pond East is dominated by two large development properties with no internal lots without major roadway frontage. As a result, the phasing and equitable distribution of costs issues of Frog Pond West are not present in Frog Pond East and do not necessitate creation of a supplemental infrastructure fee.
 - b) A supplemental infrastructure fee results in major roadway improvements being constructed after development has already occurred. As experienced with Frog Pond West, the City receives numerous complaints from the new residents regarding vehicle speeding, poor neighborhood access, lack of safe pedestrian and bike facilities, and impacts of major road construction when roadway improvements are made after development has occurred. Construction of major roadway improvements as part of development is desirable in order to prevent these types of post-development safety, level of service (LOS), and livability issues.
 - c) As experienced with Frog Pond West, construction cost inflation that occurs between the time the supplemental infrastructure fee is collected and the time the infrastructure improvement is constructed creates a significant funding gap that must be backfilled with other City funds in order to complete the infrastructure project. This results in current City residents and businesses subsidizing the cost responsibilities of private development, which is not in line with City policy that “growth pays for growth.”
 - d) Analysis shown and documented in Attachment 1 finds that there is sufficient SDC revenue generated through development within Frog Pond East and South to pay for both City SDC infrastructure funding responsibilities and SDC credits issued to developers for the “oversized” portion of developer-constructed infrastructure. As a result, a supplemental infrastructure fee is not necessary to assist with funding FPE/S framework projects, including the east portion of Stafford Road.
- c. Stafford/Kahle Roundabout
- i. Current City policy states development along Stafford Road are responsible to ensure the City Level of Service (LOS) standard of LOS D is met for all intersections impacted by the development.
 - ii. Also, under current City policy, developments are responsible for providing mitigation for intersections not meeting LOS D proportional to the impact of the development.

- iii. According to the FPE/S Master Plan, any development in Frog Pond East taking access from Kahle Road will cause the intersection of Stafford Road and Kahle Road to fall below LOS D.
 - iv. The mitigation needed at the Stafford Road and Kahle Road intersection is due to development within Frog Pond West and Frog Pond East, not due to existing or future traffic conditions on Stafford Road. If not for the Frog Pond development, mitigation at this intersection would not be needed and is therefore the responsibility of development within Frog Pond to provide mitigation.
 - v. LOS mitigation at the Stafford Road and Kahle Road intersection is a single-lane roundabout per the FPE/S Master Plan and Wilsonville Transportation System Plan.
 - vi. Based on traffic impacts at this intersection documented in the FPE/S Master Plan, Frog Pond West is responsible for 40% of the project cost and Frog Pond East is responsible for 60% of the project cost.
 - vii. Frog Pond West share of mitigation costs may be provided as SDC credits issued to Frog Pond East developer(s) that build the roundabout project as part of the adjacent development.
 - viii. The roundabout could instead be built by the City pursuant to City CIP prioritization and fund availability. However, in this scenario, development failing to meet LOS standards at the intersection could not occur unless the roundabout is scheduled for completion within two years of certificates of occupancy for homes in the development. In such a scenario, Frog Pond East development will be responsible for contributing to Frog Pond East development's financial responsibility for this roundabout.
- d. Stafford/Brisband Roundabout
- i. According to the FPE/S Master Plan, any development taking access from Brisband Street will cause the intersection of Stafford Road and Brisband Street to fall below LOS D.
 - ii. As with the Stafford/Kahle Roundabout, the mitigation needed at the Stafford Road and Brisband Street intersection is due to development within Frog Pond West and Frog Pond East, not due to existing or future traffic conditions on Stafford Road.
 - iii. LOS mitigation at the Stafford Road and Brisband intersection is a single-lane roundabout per the FPE/S Master Plan and Wilsonville Transportation System Plan.
 - iv. Based on traffic impacts at this intersection documented in the FPE/S Master Plan, Frog Pond West is responsible for 35% of the project cost and Frog Pond East is responsible for 65% of the project cost.
 - v. As with the Stafford/Kahle Roundabout, the Frog Pond West share of mitigation costs may be provided as SDC credits issued to the Frog Pond East developer(s) that build the roundabout project as part of the adjacent development.
 - vi. Also similar to the Stafford/Kahle Roundabout instead of developer(s) building the roundabout, it could be built by the City pursuant to City CIP prioritization and fund availability. However, in this scenario, development failing to meet LOS standards at the intersection could not occur unless the roundabout is scheduled for completion within two years of certificates of occupancy for homes in the development. In such a scenario, Frog Pond East development will be responsible

for contributing to Frog Pond East development's financial responsibility for this roundabout.

2. Advance Road (including sanitary sewer and water). Advance Road includes a local portion attributable to Frog Pond East and a local portion attributable to Frog Pond South. In addition, there is an oversized portion in excess of the local portion for both East and South. Advance Road improvements also include a roundabout at 60th Avenue.
 - a. North Portion of Advance Road
 - i. As with the eastern portion of Stafford Road, developers in Frog Pond East developing adjacent to Advance Road are responsible for the "local portion" of Advance Road, including sanitary sewer and water.
 - ii. Developers may receive SDC credits for constructing the remainder ("oversize portion") of the north side of Advance Road, which exceeds the "local portion" of the road.
 - iii. Any oversizing of sanitary sewer and water installed by the developers along Advance Road may also be subject to SDC credits.
 - b. South Portion of Advance Road
 - i. The south portion of Advance Road between Wilsonville Road and 63rd Avenue was constructed with development of Meridian Creek Middle School. Since that time, the Advance Road roadway cross-section has been modified as part of the FPE/S Master Plan to better match the Boeckman Road roadway cross-section to the west of Stafford Road.
 - ii. Developers in Frog Pond South developing adjacent to Advance Road between Wilsonville Road and 63rd Avenue may be required to make improvements to Advance Road consistent with the Advance Road cross-section requirements per the FPE/S Master Plan. Any oversizing would be compensated through SDC credits.
 - iii. The south portion of Advance Road between 63rd Avenue and 60th Avenue is adjacent to City-owned property planned for a community park. The City, as owner and developer of the property adjacent to Advance Road, is responsible for this section of the south portion of Advance Road as part of the park development.
 - iv. It is preferable to build the south portion of Advance Road between 63rd Avenue and 60th Avenue concurrent with the developer-funded and constructed north portion of Advance Road. An agreement between the developer and City outlining compensation through City contribution (using available SDC funds) or issuance of SDC credits may be necessary for developer construction of this south portion of Advance Road. Should the City and developer not reach agreement regarding joint construction of both the north and south portions of Advance Road, the south portion can be constructed as a separate, standalone project.
 - v. The properties fronting the south portion of Advance Road between 60th Avenue and the east limits of Frog Pond South are largely built out with little opportunity to redevelop in the near future. However, should redevelopment of these properties occur, developers) in Frog Pond South are responsible for the "local portion" of Advance Road. Any oversizing can be compensated through SDC credits. If redevelopment does not occur over time, the City could construct this south

portion of Advance Road utilizing Transportation SDC funds as budget and demand allows.

- c. Advance/60th Roundabout
 - i. The FPE/S Master Plan and Wilsonville Transportation System Plan identify a single-lane roundabout at the intersection of Advance Road and 60th Avenue, necessary to provide slower speed and improved neighborhood access and visibility.
 - ii. Local development in Frog Pond East or South are responsible for providing the roundabout at the Advance Road and 60th Avenue intersection as part of any development that accesses 60th Avenue.
 - iii. According to the FPE/S Master Plan, the intersection of Advance Road and 60th Avenue is not anticipated to fall below LOS D at full build out.
 - iv. The Advance Road and 60th Avenue roundabout is not needed to address level of service performance standards and therefore does not solely address impacts related to development within Frog Pond East and Frog Pond South. As a result, developers may receive SDC credits for constructing the roundabout based on the volume of traffic moving through the intersection not associated with development within Frog Pond East and Frog Pond South.
 - v. Based on traffic impacts at this intersection documented in the FPE/S Master Plan, Frog Pond East is responsible for 27.5% of the project cost, Frog Pond South is responsible for 27.5% of the project cost, and 45% eligible for SDC credit.
 - vi. An agreement between the City and the developer that constructs the roundabout may be necessary to compensate for the proportional project costs from the remaining FPE/S development areas. Formation of a reimbursement district or supplemental infrastructure fee, as discussed later, are potential tools to recoup these costs from future Frog Pond developments accessing 60th Avenue.

3. Frog Pond East Neighborhood Park

- a. In accordance with the City's Comprehensive Plan, Parks and Recreation Master Plan, and Parks SDC methodology, neighborhood parks are provided by local development to serve the immediate neighboring area and are most often owned and maintained by a nearby neighborhood homeowner's association. Community and regional parks that serve the Wilsonville community as a whole are built/funded and maintained by the City.
- b. The FPE/S Master Plan identifies a neighborhood park near the intersection of 60th Avenue and Brisband Street in Frog Pond East.
- c. The developer of the large parcel south of the BPA easement and north of Advance Road, referred to as the "Azar Property", is responsible for providing the planned neighborhood park.
- d. As with the east portion of Stafford Road, establishment of a Frog Pond East per door infrastructure fee to pay for the neighborhood park like was implemented in Frog Pond West is not recommended for the same reasons as stated previously, including less parcelized development area, avoiding delayed infrastructure construction, and reducing construction inflation factors.

4. Frog Pond East BPA Easement Trail

- a. The Frog Pond East BPA Easement Trail is included in the Parks SDC methodology at 100% funding and is included in the FPE/S Master Plan. As a result, the trail does not require any contribution from developers beyond the standard Park SDC.
 - b. Under current City policy, developers may receive SDC credits for constructing portions of the BPA Easement Trail adjacent to the development. Local development is responsible for funding and building the trail connections between the development and the BPA Easement Trail in accordance with the FPE/S Master Plan.
5. Frog Pond South Neighborhood Trail
- a. As with the Frog Pond East BPA Easement Trail, the Frog Pond South Neighborhood Trail (Meridian Creek crossing) is included in the Parks SDC methodology at 100% funding and is included in the FPE/S Master Plan. As a result, the trail does not require any contribution from developers beyond the standard Park SDC.
 - b. Developers may receive SDC credits for constructing portions of the South Neighborhood Trail crossing of Meridian Creek adjacent to the development.
6. 60th Avenue (including water and storm drainage). 60th Avenue includes a local portion attributable to Frog Pond East and a local portion attributable to Frog Pond South. In addition, there is an oversized portion in excess of the local portion for both East and South.
- a. Portion of 60th Avenue, North of Advance Road
 - i. As with the eastern portion of Stafford Road, developments in Frog Pond East constructed adjacent to 60th Avenue are responsible for the “local portion” of 60th Avenue, including water.
 - ii. Developers may receive SDC credits for constructing the remainder (“oversize portion”) of 60th Avenue, which exceeds the “local portion” of the road.
 - iii. Any oversizing of water installed by the developers along 60th Avenue may also be subject to SDC credits.
 - b. Portion of 60th Avenue, South of Advance Road.
 - i. The west portion of 60th Avenue between Advance Road and Hazel Street is adjacent to City-owned property for a planned community park. The City is responsible for this section of the west portion of 60th Avenue as part of the park development.
 - ii. The west portion of 60th Avenue from Hazel Street to the south property boundary, approximately 960 feet south of Hazel Street, fronts property owned by the West Linn-Wilsonville School District (School District). The School District is responsible for the “local portion” of 60th Avenue, including water, with any future development on the school-owned property adjacent to 60th Avenue.
 - iii. The School District may receive SDC credits for constructing the remainder (“oversize portion”) of the west side of 60th Avenue, which exceeds the “local portion” of the road.
 - iv. Currently, the School District does not have plans to further develop the property adjacent to 60th Avenue. The City may construct this portion of 60th Avenue utilizing Transportation SDCs as funding is available and demand for the project is

- met. Formation of a reimbursement district or supplemental infrastructure fee, as discussed later, are potential tools to recoup the “local portion” of 60th Avenue costs from future Frog Pond South developments accessing 60th Avenue.
- v. The west portion of 60th Avenue, south of the School District property boundary does not exceed the “local portion” of roadway and is the responsibility of adjacent developer(s) to fund and build.
 - vi. As with the north portion of 60th Avenue, developments in Frog Pond South constructed adjacent to the east portion of 60th Avenue, south of Advance Road, are responsible for the “local portion” of 60th Avenue.
 - vii. The properties fronting the east portion of 60th Avenue between Advance Road and Hazel Street are largely built out with little opportunity to redevelopment within the near future. However, should redevelopment of these properties occur, developments in Frog Pond South are responsible for the “local portion” of 60th Avenue. If redevelopment does not occur over time, the City could construct this east portion of 60th Avenue utilizing Transportation SDC funds as budget and demand allows. Formation of a reimbursement district or supplemental infrastructure fee, as discussed later, are potential tools to recoup the “local portion” of 60th Avenue costs from future Frog Pond South developments accessing 60th Avenue.
 - viii. Developers may receive SDC credits for constructing the remainder (“oversize portion”) of 60th Avenue, which exceeds the “local portion” of the road.
 - ix. Any oversizing of water installed by the developers along 60th Avenue may also be subject to SDC credits.
- c. 60th Avenue Stormwater Pipeline
- i. Under current City policy, stormwater infrastructure within a development area, such as Frog Pond East and South, that serves the development is the responsibility of the local development and is not considered “oversized” unless the infrastructure provides a basin-wide benefit outside the development area, such as a regional stormwater facility.
 - ii. The Kruse Creek drainage basin (Basin K1 in Figure 3 below) south of Advance Road encompasses 60th Avenue and areas to east, incorporating only the City-owned property planned for a future community park, west of 60th Avenue. The Kruse Creek drainage basin extends north of Advance Road, encompassing a small area centered on 60th Avenue. A storm drainage pipeline is envisioned along 60th Avenue, serving development within the Kruse Creek drainage basin.
 - iii. The 60th Avenue storm drainage pipeline only serves development within Frog Pond East and South and is therefore not considered “oversized”. As a result, a developer is not eligible to receive Storm SDC credits for construction of the 60th Avenue storm drainage pipeline.
 - iv. Per the anticipated construction phasing outlined in the FPE/S Infrastructure Funding Plan Technical Appendix (Appendix C), it is likely development will occur within the upper Kruse Creek basin (Basin K1 in Figure 3) in Frog Pond East (north of Advance Road) before Frog Pond South, requiring the developer to construct the offsite portion of the 60th Avenue storm drainage pipeline between Advance Road

and the Kruse Creek outfall. Formation of a reimbursement district by the developer or creation of a supplemental infrastructure fee for Frog Pond South by the City, as discussed later, are potential tools to reimburse a developer (reimbursement fee) or City (supplemental infrastructure fee) for offsite construction of the 60th Avenue storm drainage pipeline should the Kruse Creek basin (Basin K1 in Figure 3) in Frog Pond East develop before Frog Pond South.

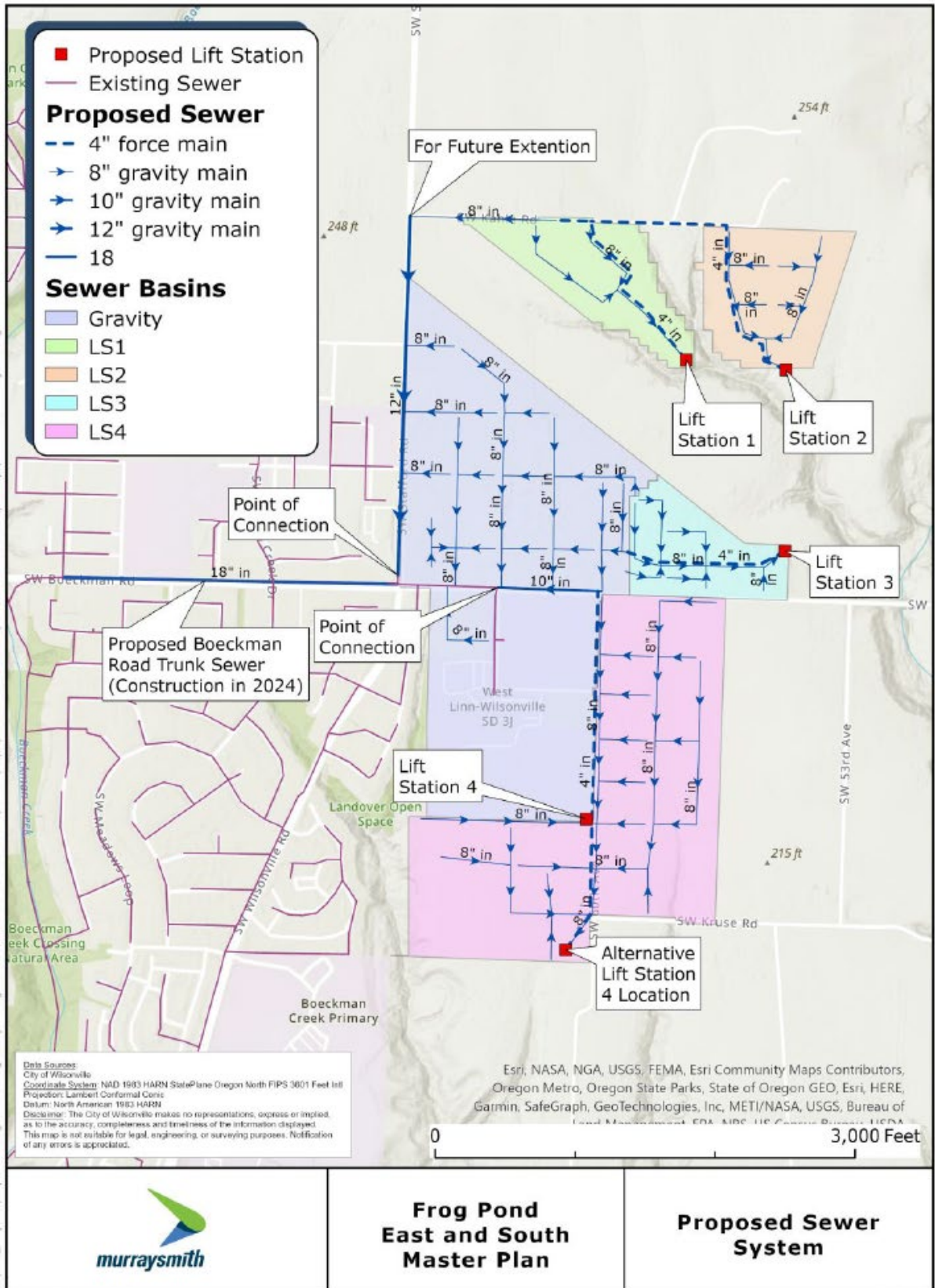
- v. The 60th Avenue Stormwater Pipeline project is identified as a needed project in the Stormwater Master Plan and is eligible to be added to the Stormwater SDC project list and methodology. If the project is incorporated into the Stormwater SDC project list and methodology prior to installation, the City may construct the stormwater pipeline utilizing Stormwater SDC funds as budget and demand allows, enter into a development agreement to compensate a developer with SDC funds for the portion of the project serving an area larger than the development site, or issue SDC credits to the developer for construction of the oversized portion of the stormwater pipeline as part of a development project.

7. Frog Pond East - Kahle East Sanitary Lift Stations (Lift Stations 1 and 2 in Figure 4 below) and Force Main
 - a. The FPE/S Master Plan identifies the need for two sanitary lift stations (Lift Stations 1 and 2 in Figure 4) and 4-inch force main to serve development within Frog Pond East, north of Newland Creek.
 - b. The two sanitary lift stations and force main serve a single, developable property with no potential for an expanded service area in the future. As a result, Frog Pond East development is responsible for providing the two sanitary lift stations and force main and is not eligible to receive Wastewater SDC credits for its construction.

8. Frog Pond East - Advance East Sanitary Lift Station (Lift Station 3 in Figure 4 below) and Force Main
 - a. The FPE/S Master Plan identifies the need for a sanitary lift station (Lift Station 3 in Figure 4) and 4-inch force main to serve development at the east end of Frog Pond East, between Newland Creek and Advance Road.
 - b. As with the Kahle East Sanitary Lift Stations (Lift Stations 1 and 2), the Advance East Sanitary Lift Station (Lift Station 3) and force main serve a single, developable property with no potential for an expanded service area in the future and is therefore the Frog Pond East development responsibility and is not eligible to receive Wastewater SDC credits.

9. Frog Pond South Sanitary Lift Station (Lift Station 4 in Figure 4 below) and Force Main
 - a. The FPE/S Master Plan identifies the need for a sanitary lift station (Lift Station 4 in Figure 4) and 4-inch force main to serve all development within Frog Pond South, east of 60th Avenue and south of the West Linn-Wilsonville School District property.
 - b. The Frog Pond South Sanitary Lift Station (Lift Station 4) and Force Main only serves development within Frog Pond South and is fully the responsibility of development within Frog Pond South to fund the necessary sanitary lift station and force main.
 - c. Any development within Frog Pond South, with the exception of the property west of 63rd Avenue, will require the sanitary lift station to provide wastewater service to the area.
 - d. Current City policy would allow the Frog Pond South Sanitary Lift Station (Lift Station 4) and Force Main to be included on the Wastewater SDC project list. If included, the City may construct the lift station and force main utilizing Wastewater SDC funds as budget and demand allows, enter into a development agreement to compensate a developer for the portion of the project serving an area larger than the development site, or issue SDC credits to the developer that constructs the lift station as part of a development project.
 - e. Alternatively, the Frog Pond South sanitary lift station (Lift Station 4) could be omitted from the Wastewater SDC project list. Under this scenario, formation of a reimbursement district by the developer or creation of a supplemental infrastructure fee for Frog Pond South by the City, as discussed later, are potential tools to reimburse a developer (reimbursement district) or City (supplemental infrastructure fee) for construction of the lift station and force main beyond the developer's responsibility for capacity needs to serve their development.

Figure 4. Frog Pond East and South Proposed Sewer System, Figure 34 of the Master Plan



Recommended Funding Strategy

As documented in the FPE/S Infrastructure Funding Plan Technical Attachment (Attachment 1), there is sufficient SDC revenue generated through development within Frog Pond East and South to account for both City SDC infrastructure funding responsibilities and SDC credits issued to developers for the “oversized” portion of developer-constructed infrastructure, in accordance with existing City policies and practices for development. Having no other identified funding sources, the City recommends an infrastructure funding strategy for Frog Pond East and South utilizing the traditional methodology whereby the developer constructs the required infrastructure and is issued SDC credits for the “oversized” portion consistent with current City policy. The City further recommends utilizing development agreements to fund developer construction of the City’s identified infrastructure responsibilities where efficiencies, minimized neighborhood impacts, and cost savings can be realized through such an agreement.

It should be noted that if the Frog Pond East & South development and/or infrastructure phasing assumptions change, the City’s required SDC cash flow may be affected and should be reassessed to ensure City SDC commitments can be met as development occurs over time. Consideration of additional funding strategies may be necessary to finance specific projects and ensure adequate funding.

Additional Funding Sources for Consideration

Although the FPE/S Infrastructure Funding Plan Technical Attachment (Attachment 1) determined there is sufficient SDC revenue generated in Frog Pond East and South to fund the required infrastructure projects, additional funding strategies may be further considered by the City to assist developers. Use of these strategies would be most relevant with large capital costs early in the Frog Pond East and South development phases, when additional infrastructure funding support is desired by the City, or if there are changes to infrastructure phasing assumptions that affect SDC cash flow as development occurs over time. The following are a number of infrastructure funding strategies that have been assessed as part of this analysis and can be re-examined in the future for implementation within the Frog Pond East and South area as necessary.

1. Supplemental Infrastructure Fee

This funding tool was utilized in Frog Pond West and included assessment of a supplemental fee per equivalent dwelling unit (EDU), collected by the City with each building permit and used to build City-led framework infrastructure projects including Boeckman Road, a neighborhood park, and the west side of Stafford Road. This supplemental fee was in lieu of the Frog Pond West developments constructing the “local portion” of these infrastructure improvements as otherwise required.

Frog Pond West consisted of many small parcel ownerships making “framework project” construction by a private developer infeasible and necessitating an alternative to the traditional developer build/SDC credit methodology to provide the needed infrastructure. Also, the City determined that the “framework projects” were not essential to support initial development of Frog Pond West and could be deferred, allowing time for a supplemental fee to accrue until a sufficient fund balance was accumulated to construct the needed infrastructure at a later date.

In practice, construction of deferred “framework projects” through collection of a supplemental fee has not been successful, resulting in a substantial increase in the permit fee package for each new housing unit, rising infrastructure costs over time due to inflation, and under collection of the

supplemental fee leading to City subsidy of the Frog Pond West developments' "local portion" responsibility. As a result, a supplemental infrastructure fee, as implemented in Frog Pond West, is not recommended as a primary tool to assist in construction of infrastructure needed for Frog Pond East and South.

However, should the City be able to identify a sufficient source of funds and there is enough demand for a specific infrastructure project(s), a supplemental infrastructure fee could be established to help reimburse the City's infrastructure expenditures. Once the infrastructure project is constructed, the supplemental infrastructure fee could be established based on the actual project costs and applied over the area that would benefit or be served by the infrastructure. As development occurs within the designated area, the City's infrastructure costs could be reimbursed through collection of the fee with each building permit.

This practice would resolve the delayed infrastructure construction, inflation pressures, and revenue under-collection associated with the supplemental fee as implemented in Frog Pond West. However, the City would have to identify a sufficient source of funds to construct the initial infrastructure project to establish the supplemental fee. Consideration of the timing of development and the potential payback period is recommended prior to implementing such a strategy.

Examples where this funding tool could be implemented include:

- Stafford and Brisband Roundabout – Frog Pond East Fee
- Frog Pond South share of Advance/65th Roundabout – Frog Pond South Fee
- 60th Ave. Roadway (Advance Rd. – South WLWSD Prop. Boundary) – Frog Pond South Fee
- 60th Ave. Storm Pipe (Advance Rd. – Kruse Creek Outfall) – Frog Pond South Fee
- Frog Pond South Sanitary Lift Station & Force Main – Frog Pond South Fee

Notably all these examples are primarily in Frog Pond South. Frog Pond South has some similar conditions as Frog Pond West that make supplemental infrastructure fees a potential option. A primary one is that, unlike Frog Pond East that is mostly in two ownerships, Frog Pond South has many smaller ownerships leading to anticipated incremental development similar to Frog Pond West. This makes the ability for an individual developer to pay for a large infrastructure project that serves a larger area difficult. In addition, some of the Frog Pond South projects, particularly the lift station and force main, need to occur prior to most development, and the likelihood that a single developer would tie up sufficient land for it to make financial sense for the developer to pay for the entire lift station prior to development is low.

2. Reimbursement District

A reimbursement district is an area where one party, typically a developer or a City, fronts capital improvements/investment within a designated Zone of Benefit District (ZBD). The party that establishes the reimbursement district, the developer or City, is then partially reimbursed as new land use development approvals are granted within the ZBD over a period that extends up to 10 years from the date of construction of the improvement (see Wilsonville Code 3.116). While ZBDs have been successfully utilized in Wilsonville in the past, the developer or City would want to assess timing of development within the ZBD and the potential payback period within the reimbursement district period, as there is no guarantee that future revenues will be steady and

reliable. For this reason, establishment of a supplemental infrastructure fee would be preferable to a City initiated reimbursement district.

Examples where a developer-initiated reimbursement district could be implemented include:

- Frog Pond South share of Advance/65th Roundabout – Frog Pond South ZBD
- 60th Ave. Roadway (Advance Rd. – South WLWSD Prop. Boundary) – Frog Pond South ZBD
- 60th Ave. Storm Pipe (Advance Rd. – Kruse Creek Outfall) – Frog Pond South ZBD
- Frog Pond South Sanitary Lift Station & Force Main – Frog Pond South ZBD

3. Local Improvement District (LID)

Cities in Oregon have the statutory authority to establish local improvement districts within city limits and levy special assessments on the benefited property to pay for improvements. These are payable in annual installments for up to 30 years. LIDs are generally used for capital improvement projects that involve numerous large tenants and/or private property owners.

The advantage of LIDs is the ability to attain a consistent level of revenue generation early in the development process. Financial intermediaries, such as banks, now view LIDs as a more reliable funding source than some funding sources (such as SDCs) and therefore are more apt to provide loans based on future LID revenue streams. LIDs also allow a developer to spread the infrastructure cost over the development period with the ability to pay the balance at the time the profits are realized from the development, avoiding high upfront capital expenditures at the start of a development project.

LID assessments become a lien on real property until they are paid in full at the time of property transaction, development, or final installation payment. LIDs cannot be established outside jurisdictional boundaries, so annexation and developer agreements may be necessary to implement LIDs in expansion areas. Additionally, Oregon law (ORS 223) and Wilsonville Code require several procedural steps, including notice and public hearing, prior to establishing a LID. Thus, developer and property owner support is key for successful LID implementation. Furthermore, any lending obtained for City projects within a LID will likely require full faith and credit of the City, and so City liabilities have to be evaluated before obtaining financing backed by a LID.

While not a necessary tool to implement in Frog Pond East and South, local improvement districts could be utilized to build the framework infrastructure for larger construction projects instead of a phased approach with each development. This would result in potentially more efficient, less costly infrastructure construction, with reduced impacts to traffic and neighboring residents. These projects include:

- Stafford Road
- Advance Road (including sanitary sewer and water)
- 60th Avenue (including water and storm drainage)
- Frog Pond South Sanitary Lift Station & Force Main

4. Direct CIP Investment Using Citywide SDCs

Under this scenario, the City constructs “framework projects” utilizing SDCs collected from development across the City. Many of the framework projects are included within the City’s Capital Improvement Program and are eligible to be funded with SDCs. While the City does utilize SDC

funds on eligible projects as the funds accrue over time, the SDC funds cannot typically supplant infrastructure funding that is the responsibility of the developer. Because SDCs are used to fund needed capacity improvement projects across the City, the Frog Pond infrastructure projects need to be prioritized and balanced with other infrastructure needs throughout the City. SDC funds collected from development in Frog Pond East and South will not necessarily go to fund area-specific projects, just as not all SDC funds that will pay for Frog Pond East and South projects will come from development within Frog Pond East and South.

This tool is challenging to implement in Frog Pond East and South as many of the “framework projects” are needed to be in place prior to or as development occurs. This means the City would need to have enough SDC funds on hand to construct the needed infrastructure with development. SDC fees are typically collected at the time of building permit, after infrastructure is already in place, meaning the SDCs needed to construct the “framework projects” would be solely limited to fees collected from development in other parts of the City. In addition, the Frog Pond “framework projects” may not have a higher priority than needed infrastructure in other parts of the City, placing further demand on available SDC funds.

5. Localized Supplemental SDCs

In addition to citywide SDCs specific to each infrastructure system, a special district or overlay supplemental SDC for each relevant infrastructure system may be considered in the area. Like citywide SDCs, the supplemental SDC can only be used to fund the “oversize” portion of the constructed infrastructure. Typically, a supplemental SDC is considered for implementation when there is not enough SDC revenue within a district to fund the needed infrastructure to serve the development area. Per the analysis in Appendix C, FPE/S generates sufficient SDC revenue and a supplemental SDC is not necessary to fund the needed infrastructure.

6. Localized Utility Rate Surcharge

Though not previously used in Wilsonville, area-specific supplemental utility rates for water, sewer, storm, parks and/or transportation facilities are a way to raise local revenues to pay for infrastructure capital costs or operations within a defined district. Rate surcharges require approval and adoption by the City Council and must meet state and local regulations.

There is a heightened administrative cost to collect the surcharge over time and the higher rates increase monthly costs for residents of the defined district over an extended period. Any added monthly costs for future rate payers in the area would need to not be unreasonably high and burdensome, otherwise default rates and costs for collections would increase beyond the relative reduction of housing affordability for residents.

While not a necessary tool to implement in Frog Pond East and South, a utility rate surcharge could be utilized to reimburse the cost of framework infrastructure projects. Careful consideration prior to implementation is needed as the utility rate surcharge cannot be assessed outside of jurisdictional boundaries and shifts the infrastructure funding responsibility from the developer to the future homeowner. However, a utility rate surcharge does provide a more stable, predictable source of revenue than other infrastructure funding tools, such as a reimbursement district. Examples where a localized utility rate surcharge could be used are:

- 60th Ave. Water line – Frog Pond South
- Frog Pond South Sanitary Lift Station & Force Main – Frog Pond South

7. Urban Renewal District

There may be opportunities to utilize funding from the creation of a new Frog Pond Area Urban Renewal District (URD). A key advantage of URD funding is that it is less restrictive than SDCs with respect to the uses of funds. As such, URDs can be used to fund almost any form of capital investment that is authorized by the adopted URD plan. City of Wilsonville urban renewal funding for Frog Pond is not likely, due to the City's urban renewal task force identifying investments elsewhere in the City as higher priority. This tool should be re-evaluated for use in FPE/S if the other infrastructure funding tools are not resulting in the development envisioned for this area or is not generating sufficient infrastructure funding.

8. Grants and Investments by Other Governments

To the extent available, grants should be continuously evaluated and where applicable, aggressively pursued for use within FPE/S. There is a great need for infrastructure funding across the region, resulting in grant opportunities that are highly competitive and currently, have a low chance of award. As a result, the FPE/S infrastructure funding does not include any grant funding as part of the financial analysis. However, the City will continue to partner with the development community to pursue grants or other funding opportunities in the coming years to help offset the infrastructure costs needed to support development within FPE/S.

Conclusion and Next Steps

With exact timing and costs of infrastructure development still unknown, the FPE/S Funding Plan to be adopted by Council will rely primarily on existing policies and provide a menu of options for use, in partnership with developers, to fund framework infrastructure over time. As land use entitlements are pursued the City will partner with developer(s) to establish specific financing plans and agreements for the subject development(s) using the framework established in this Funding Plan.

Attachments:

Attachment 1: Technical Attachment

Attachment 2: Supporting Documentation for Technical Attachment

FROG POND EAST AND SOUTH INFRASTRUCTURE FUNDING PLAN TECHNICAL ATTACHMENT

This document details the Frog Pond East and South infrastructure estimated costs, assesses the amount of revenue generated by anticipated development, and includes the technical analysis necessary to inform the Frog Pond East and South Funding Plan. This analysis is representative of the City's existing policies and practices for development where developers construct the improvements and pay for the "local portion" of infrastructure required to serve their development and receive credits against future system development charges (SDCs) for the "oversized" portion of the constructed infrastructure. Care was taken by consultants and staff to be as accurate as reasonable in developing the assumptions and calculations used to inform this technical analysis. However, these assumptions are based on the most accurate information available at the time of this analysis and may not reflect the actual magnitude of development, cost of infrastructure, or timing of construction. Calculations and analysis were performed by FCS Group with input from City staff and are summarized as follows.

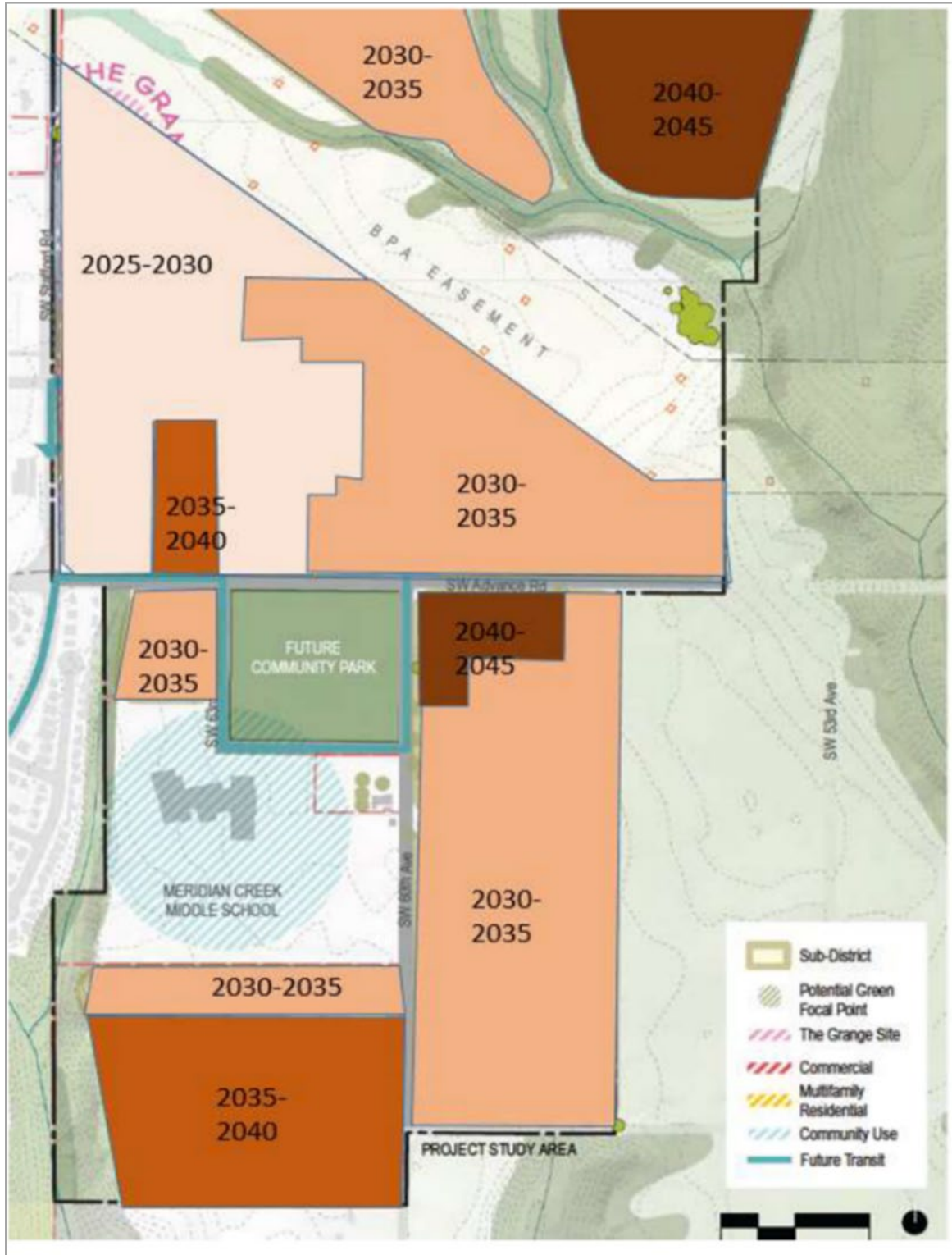
Section 1 Assumptions and Inputs

The Frog Pond East and South Infrastructure Funding Plan include assumptions, such as timing of development and type of private development, that are based on a "reasonable worst case" development scenario. The analysis assumes that the least amount of development will occur over the longest timeframe. However, it is likely that a greater amount of development will occur over a shorter period of time, resulting in greater revenue generation to support infrastructure construction on an earlier timeframe.

Timing of Development

The Project Team assigned each area of development a five-year time increment representing when development is most likely to occur between 2025 and 2045 (see **Figure 1: Anticipated Construction Phasing for Infrastructure Planning**). This development timing is based upon the availability of infrastructure necessary to serve the development area, as well as discussions with developers and property owners regarding the level of interest in property development and where interest exists, the desired timeframe for development to occur.

Figure 1. Anticipated Construction Phasing for Infrastructure Planning



Amount and Type of Development

The Frog Pond East and South Master Plan (Master Plan) adopted by Wilsonville City Council in December 2022 contemplates the addition of at least 1,325 housing units and 22,000 square feet of commercial development at ultimate buildout. While development of Frog Pond East and South will likely result in a greater number of housing units (1800 units) and commercial floor area (44,000 square feet), these minimum values provide the basis for the infrastructure funding plan technical analysis, representing the most conservative revenue generation to construct needed infrastructure projects.

The 1325 housing units represent the minimum number of units required by Metro as a condition of approval for the addition of the Frog Pond East and South area to the Urban Growth Boundary in 2018. The 22,000 square feet of commercial area represents half of the 44,000 square feet of retail estimated in the Master Plan.

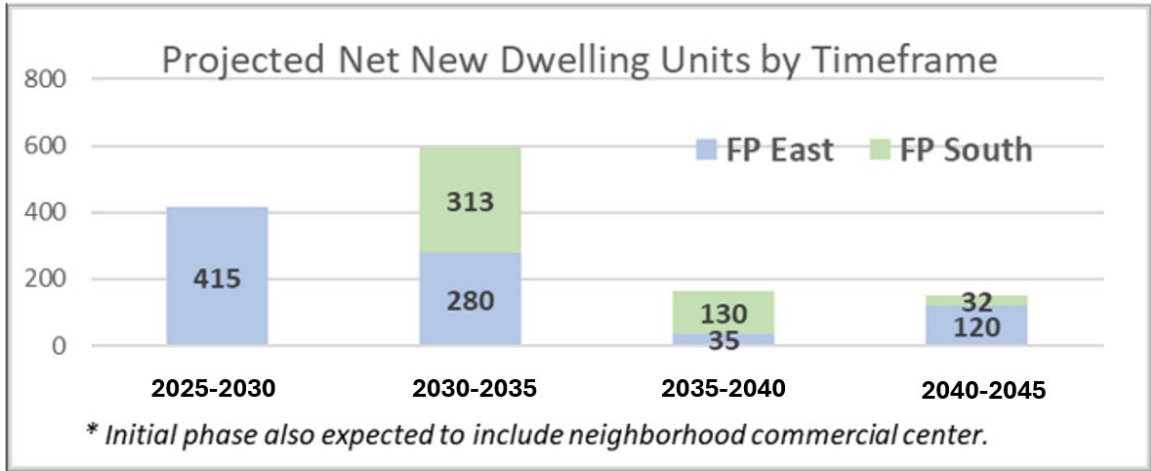
Table 1 below further refines the anticipated development by mix of residential unit types per the Master Plan. Each development is then categorized into the 5-year phasing timeline sub-areas as shown in Figure 1. The total number of housing units for each 5-year increment is provided in Table 2. The assumption for the minimum build-out scenario is developers would prefer to construct detached single-family and this unit type would be maximized (at 60% net area development). The analysis assumes that the developer's second preferred housing type to build in this area is townhouses and that other unit types (including multi-family, ADUs, cottage clusters, and plexes) would be added as required or where site geometry, site access, or utility constraints (i.e. the need for a private sewer pump station) makes sense for their development.

Table 1: Projected Minimum Net New Development by Timeframe

Timing	Single Family Homes	Townhomes	Apartments	Small Lot (Cottages)	Subtotal (for SDCs)	ADUs	Total Housing	Commercial
Phase 2025-2030								
Frog Pond East	137 DUs	92 DUs	181 DUs	1 DUs	411 DUs	4 DUs	415 DUs	22,000 SF
Frog Pond South	0 DUs	0 DUs	0 DUs	0 DUs	0 DUs	0 DUs	0 DUs	
Phase 2030-2035								
Frog Pond East	122 DUs	104 DUs	23 DUs	6 DUs	255 DUs	25 DUs	280 DUs	
Frog Pond South	130 DUs	121 DUs	22 DUs	8 DUs	281 DUs	32 DUs	313 DUs	
Phase 2035-2040								
Frog Pond East	16 DUs	11 DUs	7 DUs	0 DUs	34 DUs	1 DUs	35 DUs	
Frog Pond South	55 DUs	43 DUs	0 DUs	6 DUs	104 DUs	26 DUs	130 DUs	
Phase 2040 - 2045								
Frog Pond East	50 DUs	47 DUs	2 DUs	4 DUs	103 DUs	17 DUs	120 DUs	
Frog Pond South	12 DUs	12 DUs	4 DUs	1 DUs	29 DUs	3 DUs	32 DUs	
Total								
Frog Pond East	325 DUs	254 DUs	213 DUs	11 DUs	803 DUs	47 DUs	850 DUs	22,000 SF
Frog Pond South	197 DUs	176 DUs	26 DUs	15 DUs	414 DUs	61 DUs	475 DUs	
GRAND TOTAL	522 DUs	430 DUs	239 DUs	26 DUs	1,217 DUs	108 DUs	1,325 DUs	22,000 SF

* Source: Wilsonville planning staff, November 20, 2023. ADUs = accessory dwelling units. DU = dwelling units.

Figure 2. Bar Chart of Projected New Dwellings



Planned Infrastructure

The Master Plan identifies all public infrastructure that is necessary to support development of the Frog Pond East and South area. The following figures document these needs by infrastructure type, including transportation, parks and trails, sewer, water, and stormwater. Each figure is followed by a table summarizing the assumed year of construction, estimated infrastructure costs prepared by DKS Associates and Consor Engineers, LLC, and the responsible share of infrastructure costs between the City and the developer.

The assumed year of infrastructure construction is based on the construction of infrastructure necessary to serve the development sub-areas at the anticipated development timeframe identified in Figure 1. Detailed infrastructure cost estimates and cost share calculations and assumptions are provided in the Supporting Documents section below.

Transportation

Figure 3. Transportation Layout from Frog Pond East and South Master Plan

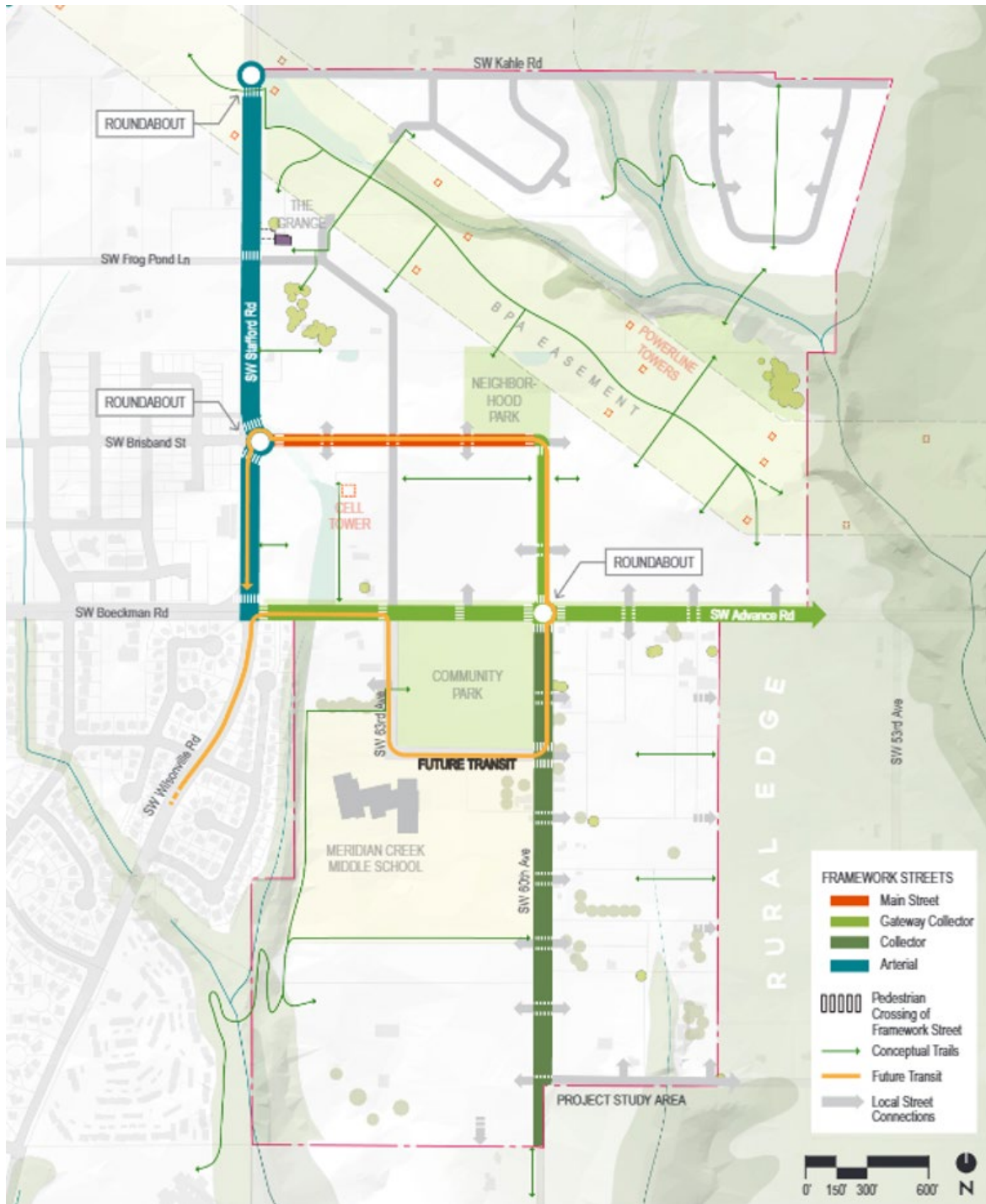


Table 2. Frog Pond East and South Transportation Project List with Timing and Costs

Timing	Project Name	Project Type	Builder	Total Cost Estimate	City Costs		Developer Costs		Notes
					CIP or Other Funds	SDC Credits	FP East	FP South	
2025-2030	Stafford Road	Urban Upgrade	Developer	\$ 3,421,575	\$ -	\$ 585,089	\$ 2,836,486	\$ -	
2030-2035	Stafford Road / Kahle	Roundabout	Developer	\$ 4,500,000	\$ -	\$ 1,800,000	\$ 2,700,000	\$ -	
2025-2030	Stafford Road / Brisband	Roundabout	Developer	\$ 4,500,000	\$ -	\$ 1,575,000	\$ 2,925,000	\$ -	
2025-2030	Advance Road (North Side - 800 ft)	Urban Upgrade	Developer	\$ 1,252,695	\$ -	\$ 261,813	\$ 990,882	\$ -	
2030-2035	Advance road (North Side - 1700 ft)	Urban Upgrade	Developer	\$ 2,661,978	\$ -	\$ 556,353	\$ 2,105,625	\$ -	
2035-2040	Advance road (North Side - 250 ft)	Urban Upgrade	Developer	\$ 391,467	\$ -	\$ 81,817	\$ 309,650	\$ -	
2030-2035	Advance road (South Side - 850 ft)	Urban Upgrade	Developer	\$ 1,534,651	\$ -	\$ 425,098	\$ -	\$ 1,109,553	
2030-2035	Advance road (South Side - 750 ft)	Urban Upgrade	City	\$ 1,354,103	\$ 1,354,103	\$ -	\$ -	\$ -	1
2040-2045	Advance road (South Side - 500 ft)	Urban Upgrade	Developer	\$ 902,735	\$ -	\$ -	\$ -	\$ 902,735	
2030-2035	Advance Road/60th Avenue	Roundabout	Developer	\$ 2,900,000	\$ -	\$ 1,305,000	\$ 797,500	\$ 797,500	2
2030-2035	60th Avenue (South of Advance)	Neighborhood Collector	City	\$ 6,839,040	\$ 3,419,520	\$ 382,986	\$ -	\$ 3,036,534	3
2030-2035	60th Avenue (North of Advance)	Neighborhood Collector	Developer	\$ 2,235,840	\$ -	\$ 382,329	\$ 1,853,511	\$ -	
Totals				\$ 32,494,084	\$ 4,773,623	\$ 7,355,486	\$ 14,518,654	\$ 5,846,321	
<i>Notes:</i>									
1. ROW adjacent to City Park Property									
2. Developer constructs roundabout with Frog Pond East.									
3. ROW adjacent to City Park and School District Property									
Source: City of Wilsonville Engineering Division.									

Parks/Trails

Figure 4. Park Layout from Frog Pond East and South Master Plan

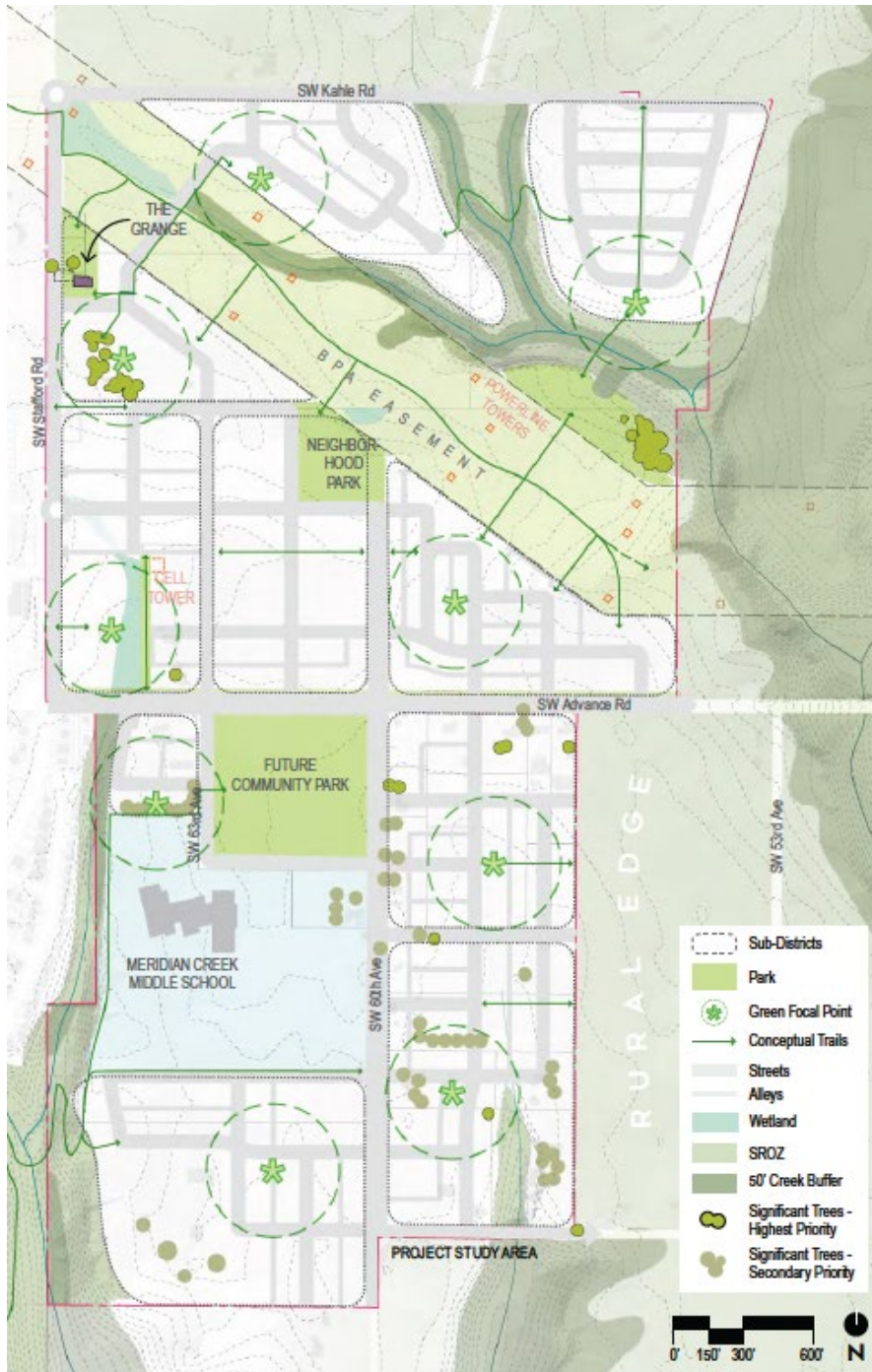


Table 3. Frog Pond East and South Trails Project List with Timing and Costs

Timing	Project Name	Project Type	Builder	Total Cost Estimate	City Costs		Developer Costs		Notes
					CIP or Other Funds	SDC Credits	FP East	FP South	
2030-2035	Frog Pond East	Trails	Developer	\$ 2,373,525	\$ -	\$ 2,373,525	\$ -	\$ -	1
2030-2035	Frog Pond South	Trails	Developer	\$ 2,244,060	\$ -	\$ 2,244,060	\$ -	\$ -	1
Totals				\$ 4,617,585	\$ -	\$ 4,617,585	\$ -	\$ -	
<i>Notes:</i>									
1. Trail neighborhood connection costs not included and are responsibility of developer to fund and construct.									
Source: City of Wilsonville Engineering Division.									

Table 4. Frog Pond East and South Sanitary Sewer Project List with Timing and Costs

Timing	Project Name	Project Type	Builder	Total Cost Estimate	City Costs		Developer Costs		Notes
					CIP or Other Funds	SDC Credits	FP East	FP South	
2025-2030	Advance Road	10" Sewer Main	Developer	\$ 492,230	\$ -	\$ 46,171	\$ 446,059	\$ -	
2025-2030	Stafford Road	12" Sewer Main	Developer	\$ 1,447,380	\$ -	\$ 212,910	\$ 1,234,470	\$ -	
2030-2035	Kahle West Neighborhood	Lift Station & Force Main	Developer	\$ 3,178,660	\$ -	\$ -	\$ 3,178,660	\$ -	
2040-2045	Kahle East Neighborhood	Lift Station & Force Main	Developer	\$ 2,485,400	\$ -	\$ -	\$ 2,485,400	\$ -	
2030-2035	Advance East Neighborhood	Lift Station & Force Main	Developer	\$ 2,485,400	\$ -	\$ -	\$ 2,485,400	\$ -	
2030-2035	South Neighborhood	Lift Station & Force Main	City	\$ 2,764,064	\$ -	\$ -	\$ -	\$ 2,764,064	1
Totals				\$ 12,853,134	\$ -	\$ 259,081	\$ 9,829,989	\$ 2,764,064	
<i>Notes:</i>									
1. Project needed in advance to serve entirety of Frog Pond South development area									
Source: City of Wilsonville Engineering Division.									

Water

Figure 6. Water Layout from Frog Pond East and South Master Plan

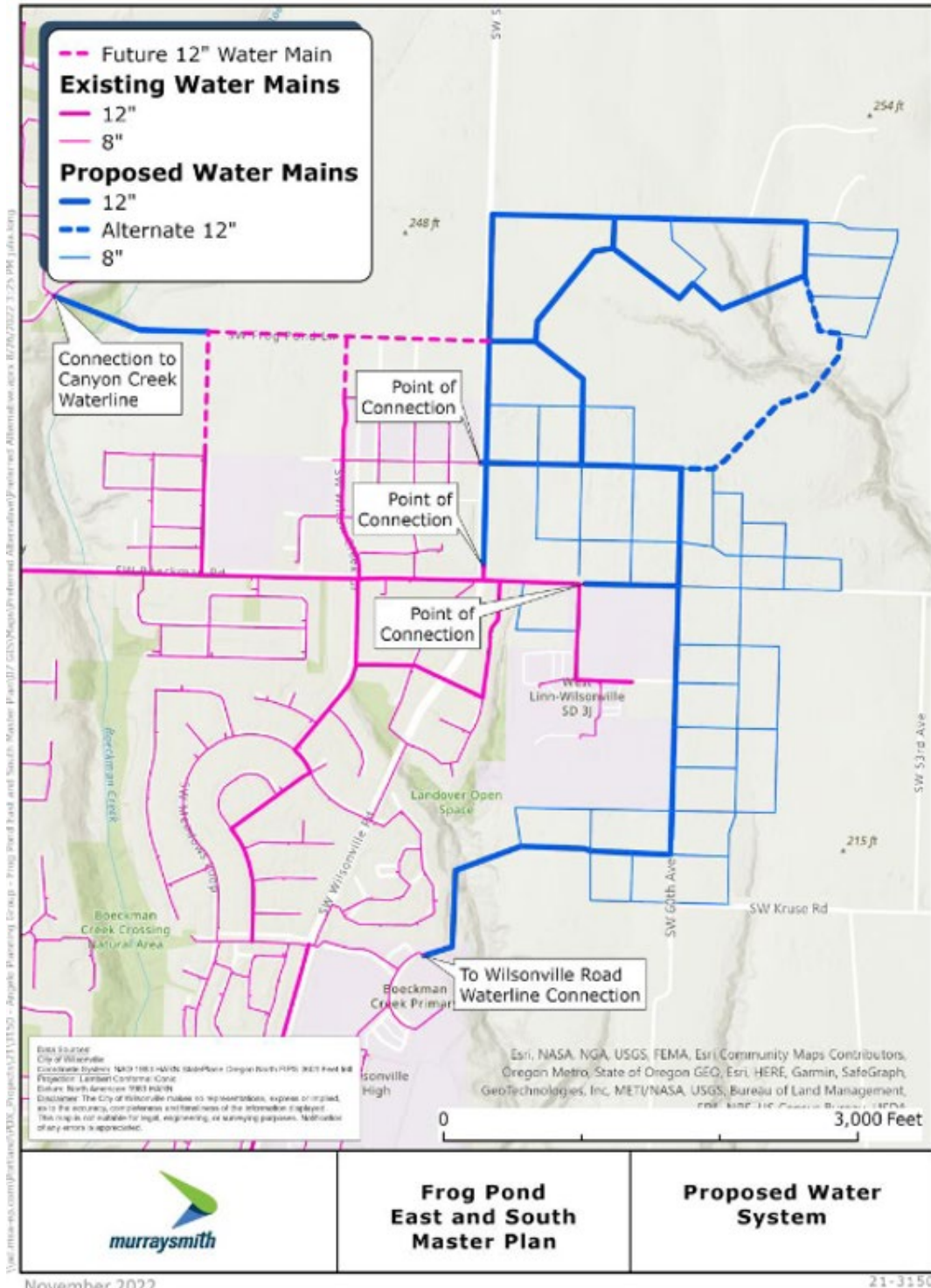


Table 5. Frog Pond East and South Water Project List with Timing and Costs

Timing	Project Name	Project Type	Builder	Total Cost Estimate	City Costs		Developer Costs		Notes
					CIP or Other Funds	SDC Credits	FP East	FP South	
2025-2030	Stafford Road	12" main	Developer	\$ 1,170,620	\$ -	\$ 386,305	\$ 784,315	\$ -	
2030-2035	Advance Road	12" main	Developer	\$ 425,680	\$ -	\$ 140,474	\$ 285,206	\$ -	
2030-2035	Kahle West Neighborhood	12" main - Kahle Road	Developer	\$ 585,310	\$ -	\$ 193,152	\$ 392,158	\$ -	
2030-2035	Kahle West Neighborhood	12" main - Interior	Developer	\$ 601,800	\$ -	\$ 198,594	\$ 403,206	\$ -	
2040-2045	Kahle East Neighborhood	12" main	Developer	\$ 1,311,720	\$ -	\$ 432,868	\$ 878,852	\$ -	
2030-2035	SW 60th Avenue, Brisband	12" main	Developer	\$ 1,504,500	\$ -	\$ 496,485	\$ 1,008,015	\$ -	
2030-2035	Frog Pond West Extension	12" main	Developer	\$ 372,470	\$ -	\$ 122,915	\$ 249,555	\$ -	
2030-2035	Boeckman Creek X-ing (Frog Pond Lane)	12" main	City	\$ 1,360,000	\$ 1,360,000	\$ -	\$ -	\$ -	
2030-2035	60th Avenue (South of Advance)	12" main	City	\$ 1,755,250	\$ -	\$ 579,233	\$ -	\$ 1,176,018	1
2030-2035	Meridian Creek X-ing	12" main	City	\$ 340,000	\$ -	\$ 112,200	\$ -	\$ 227,800	1
Totals				\$ 9,427,350	\$ 1,360,000	\$ 2,662,226	\$ 4,001,307	\$ 1,403,818	
<i>Notes:</i>									
1. Project needed in advance to serve entirety of Frog Pond South development area									
Source: City of Wilsonville Engineering Division.									

Stormwater

Figure 7. Stormwater Layout from Frog Pond East and South Master Plan

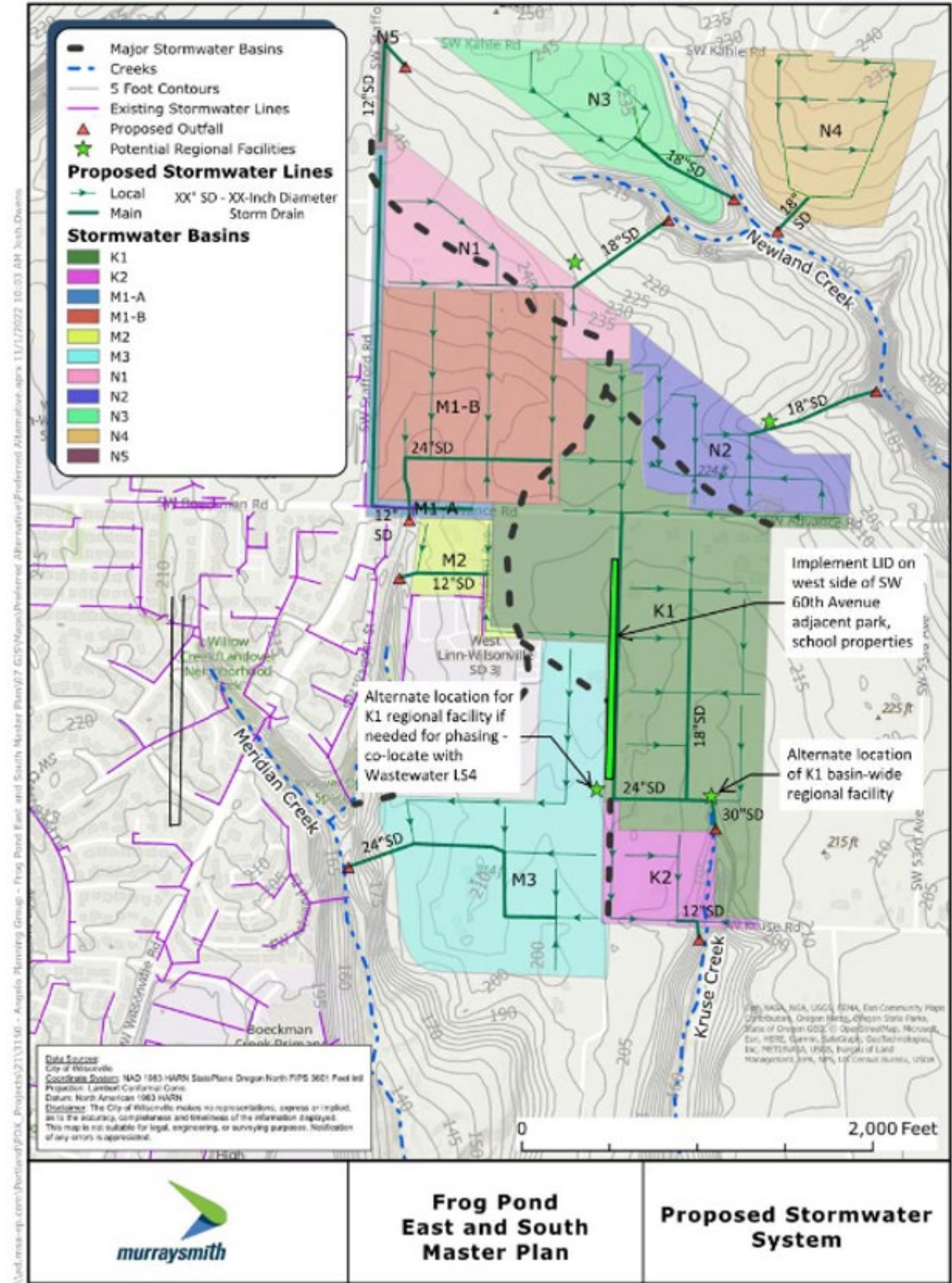


Table 6. Frog Pond East and South Stormwater Project List with Timing and Costs

Timing	Basin / Project Name	Project Type	Builder	Total Cost Estimate	City Costs		Developer Costs		Notes
					CIP or Other Funds	SDC Credits	FP East	FP South	
2025-2030	K1 / Advance/60th	30" Storm Main	City	\$ 249,008	\$ -	\$ -	\$ 62,252	\$ 186,756	1
2025-2030	K1 / Advance/60th	24" Storm Main	City	\$ 1,359,925	\$ -	\$ -	\$ 339,981	\$ 1,019,944	1
2030-2035	K1 / Advance/60th	18" Storm Main	Developer	\$ 837,795	\$ -	\$ -	\$ -	\$ 837,795	
2025-2030	K1 / East of 60th, South of Advance	24" Storm Main	City	\$ 796,670	\$ -	\$ -	\$ 199,168	\$ 597,503	1
2025-2030	K1 / East of 60th, South of Advance	18" Storm Main	Developer	\$ 2,903,600	\$ -	\$ -	\$ -	\$ 2,903,600	
2030-2035	K1 / East of 60th, South of Advance	Regional Facility	City	\$ 475,125	\$ -	\$ -	\$ -	\$ 475,125	
2025-2030	K1	30" Outfall	City	\$ 131,250	\$ -	\$ -	\$ 32,813	\$ 98,438	1
2030-2035	K2	Storm Mains	Developer	\$ 1,304,256	\$ -	\$ -	\$ -	\$ 1,304,256	
2025-2030	M1	Storm Mains, Outfall	Developer	\$ 4,021,918	\$ -	\$ -	\$ 4,021,918	\$ -	
2030-2035	M2	Storm Mains, Outfall	Developer	\$ 767,575	\$ -	\$ -	\$ -	\$ 767,575	
2035-2040	M3	24" Storm Main	Developer	\$ 609,140	\$ -	\$ -	\$ -	\$ 609,140	
2035-2040	M3	18" Storm Main	Developer	\$ 369,600	\$ -	\$ -	\$ -	\$ 369,600	
2030-2035	M3	18" Storm Main	Developer	\$ 1,924,808	\$ -	\$ -	\$ -	\$ 1,924,808	
2025-2030	M3	24" Outfall	Developer	\$ 131,250	\$ -	\$ -	\$ -	\$ 131,250	
2025-2030	N1	Storm Mains, Regional Facility, Outfall	Developer	\$ 659,225	\$ -	\$ -	\$ 659,225	\$ -	
2025-2030	N1	18" Storm Main	Developer	\$ 1,924,808	\$ -	\$ -	\$ 1,924,808	\$ -	
2030-2035	N2	Storm Mains, Regional Facility, Outfall	Developer	\$ 2,485,196	\$ -	\$ -	\$ 2,485,196	\$ -	
2030-2035	N3	Storm Mains, Outfall	Developer	\$ 2,279,571	\$ -	\$ -	\$ 2,279,571	\$ -	
2040-2045	N4	Storm Mains, Outfall	Developer	\$ 2,127,148	\$ -	\$ -	\$ 2,127,148	\$ -	
2030-2035	N5	Storm Mains, Outfall	Developer	\$ 350,259	\$ -	\$ -	\$ 350,259	\$ -	
Totals				\$ 25,708,127	\$ -	\$ -	\$ 14,482,338	\$ 11,225,789	
<i>Notes:</i>									
1. Project needed in advance to serve a portion of Frog Pond East development area									
Source: City of Wilsonville Engineering Division.									

Table 7 summarizes the previously detailed transportation, parks and trails, sewer, water, and storm water infrastructure timing and cost estimate tables, and totals the complete infrastructure costs to serve Frog Pond East and South for both the City and developer responsibilities by 5-year increment of development phasing.

Table 7: Summary of Estimated Infrastructure Cost by 5-Year Phase and Type

Timing	Total Cost Estimate	City Costs		Developer Costs	
		CIP or Other Funds	SDC Credits	FP East	FP South
Phase 2025-2030	\$ 24,462,154	\$ -	\$ 3,067,288	\$ 16,457,376	\$ 4,937,490
Transportation	\$ 9,174,270	\$ -	\$ 2,421,903	\$ 6,752,367	\$ -
Trails	\$ -	\$ -	\$ -	\$ -	\$ -
Sanitary Sewer	\$ 1,939,610	\$ -	\$ 259,081	\$ 1,680,529	\$ -
Water	\$ 1,170,620	\$ -	\$ 386,305	\$ 784,315	\$ -
Stormwater	\$ 12,177,654	\$ -	\$ -	\$ 7,240,164	\$ 4,937,490
Phase 2030-2035	\$ 52,440,916	\$ 6,133,623	\$ 11,312,405	\$ 20,573,861	\$ 14,421,027
Transportation	\$ 22,025,612	\$ 4,773,623	\$ 4,851,767	\$ 7,456,636	\$ 4,943,586
Trails	\$ 4,617,585	\$ -	\$ 4,617,585	\$ -	\$ -
Sanitary Sewer	\$ 8,428,124	\$ -	\$ -	\$ 5,664,060	\$ 2,764,064
Water	\$ 6,945,010	\$ 1,360,000	\$ 1,843,053	\$ 2,338,139	\$ 1,403,818
Stormwater	\$ 10,424,585	\$ -	\$ -	\$ 5,115,026	\$ 5,309,559
Phase 2035-2040	\$ 1,370,207	\$ -	\$ 81,817	\$ 309,650	\$ 978,740
Transportation	\$ 391,467	\$ -	\$ 81,817	\$ 309,650	\$ -
Trails	\$ -	\$ -	\$ -	\$ -	\$ -
Sanitary Sewer	\$ -	\$ -	\$ -	\$ -	\$ -
Water	\$ -	\$ -	\$ -	\$ -	\$ -
Stormwater	\$ 978,740	\$ -	\$ -	\$ -	\$ 978,740
Phase 2040-2045	\$ 6,827,003	\$ -	\$ 432,868	\$ 5,491,400	\$ 902,735
Transportation	\$ 902,735	\$ -	\$ -	\$ -	\$ 902,735
Trails	\$ -	\$ -	\$ -	\$ -	\$ -
Sanitary Sewer	\$ 2,485,400	\$ -	\$ -	\$ 2,485,400	\$ -
Water	\$ 1,311,720	\$ -	\$ 432,868	\$ 878,852	\$ -
Stormwater	\$ 2,127,148	\$ -	\$ -	\$ 2,127,148	\$ -
Totals	\$ 85,100,280	\$ 6,133,623	\$ 14,894,377	\$ 42,832,288	\$ 21,239,992

Source: City of Wilsonville Engineering Division.

Section 2 System Development Charge Revenue Analysis

Development within the Frog Pond East and South area will generate revenue in the form of System Development Charges (SDC) to fund citywide infrastructure capacity improvements across all of the City's public infrastructure systems, including transportation, parks, water, sewer, and storm water. Table 8 below summarizes the anticipated SDC revenue to be generated by each residential unit type and commercial floor area within Frog Pond East and South. These revenues are based on current SDC methodology and rates structure in place at the time of this analysis and do not reflect potential SDC fee updates in the future, including annual inflation corrections. Actual SDC revenue generated within Frog Pond East and South will be based on the SDC methodology and rates in place at the time building permits for approved development projects are issued. The purpose of this analysis is to compare anticipated SDC revenue at current rates against the present day cost of planned infrastructure.

Table 8 Current System Development Charges by Development Type

Public Facility Type	Single Family Detached	Townhome or Small Lot	Apartment Unit	Commerical (1000 SF)*	Notes
Transportation	\$16,099	\$9,630	\$11,076	\$36,484	1
Parks	\$14,000	\$14,000	\$9,404	\$583.96	2
Sanitary Sewer	\$6,631	\$6,631	\$4,975	\$19,235	3
Water	\$11,492	\$11,492	\$7,309	\$8,358	4
Stormwater	\$2,227	\$1,485	\$742	\$1,245	5
ISA per unit	1,500 SF	1,000 SF	500 SF	1,500 SF	
<i>Acornyms: kSF = 1,000 square feet of building floor area, ISA = impervious surface area</i>					
Notes:	*commerical based on 1,000 SF of retail commerical.				
	1 Charge per EDU for non res. And per dwelling unit for res.				
	2 Charge per 1000 SF for non res. And per dwelling unit for res.				
	3 Single family charge assumes 5/8" x 3/4" meter size				
	4 Water SDC for SFD with 5/8" x 3/4" meter, assumes 2" meter for Apt. & Com. Bldgs.				
	5 Charge per SF of impervious surface area (ISA)				
Source: Adopted Wilsonvilled Charges.					

Based on the number and type of residential dwelling units and anticipated commercial floor space within Frog Pond East and South as identified in Table 1, the total estimated SDC revenue for each type of infrastructure on 5-year increments of development phasing is provided in Table 9.

Table 9. Estimated Frog Pond East and South SDC Revenue

	Single Family Homes	Town- homes	Apartments	Small Lot (Cottages)	Total Residential	Commerical	Total
Phase 2025-2030							
Transportation	\$ 2,205,563	\$ 885,960	\$ 2,004,756	\$ 9,630	\$ 5,105,909	\$ 802,648	\$ 5,908,557
Parks	\$ 1,918,000	\$ 1,288,000	\$ 1,702,124	\$ 14,000	\$ 4,922,124	\$ 12,847	\$ 4,934,971
Santiary Sewer	\$ 908,447	\$ 610,052	\$ 900,475	\$ 6,631	\$ 2,425,605	\$ 423,170	\$ 2,848,775
Water	\$ 1,574,404	\$ 1,057,264	\$ 1,322,929	\$ 11,492	\$ 3,966,089	\$ 183,876	\$ 4,149,965
Stormwater	\$ 305,099	\$ 136,620	\$ 134,302	\$ 1,485	\$ 577,506	\$ 27,390	\$ 604,896
Phase 2030-2035							
Transportation	\$ 4,056,948	\$ 2,166,750	\$ 498,420	\$ 134,820	\$ 6,856,938	\$ -	\$ 6,856,938
Parks	\$ 3,528,000	\$ 3,150,000	\$ 423,180	\$ 196,000	\$ 7,297,180	\$ -	\$ 7,297,180
Santiary Sewer	\$ 1,671,012	\$ 1,491,975	\$ 223,875	\$ 92,834	\$ 3,479,696	\$ -	\$ 3,479,696
Water	\$ 2,895,984	\$ 2,585,700	\$ 328,905	\$ 160,888	\$ 5,971,477	\$ -	\$ 5,971,477
Stormwater	\$ 561,204	\$ 334,125	\$ 33,390	\$ 20,790	\$ 949,509	\$ -	\$ 949,509
Phase 2035-2040							
Transportation	\$ 1,143,029	\$ 520,020	\$ 77,532	\$ 57,780	\$ 1,798,361	\$ -	\$ 1,798,361
Parks	\$ 994,000	\$ 756,000	\$ 65,828	\$ 84,000	\$ 1,899,828	\$ -	\$ 1,899,828
Santiary Sewer	\$ 470,801	\$ 358,074	\$ 34,825	\$ 39,786	\$ 903,486	\$ -	\$ 903,486
Water	\$ 815,932	\$ 620,568	\$ 51,163	\$ 68,952	\$ 1,556,615	\$ -	\$ 1,556,615
Stormwater	\$ 158,117	\$ 80,190	\$ 5,194	\$ 8,910	\$ 252,411	\$ -	\$ 252,411
Phase 2040 - 2045							
Transportation	\$ 998,138	\$ 568,170	\$ 66,456	\$ 48,150	\$ 1,680,914	\$ -	\$ 1,680,914
Parks	\$ 868,000	\$ 826,000	\$ 56,424	\$ 70,000	\$ 1,820,424	\$ -	\$ 1,820,424
Santiary Sewer	\$ 411,122	\$ 391,229	\$ 29,850	\$ 33,155	\$ 865,356	\$ -	\$ 865,356
Water	\$ 712,504	\$ 678,028	\$ 43,854	\$ 57,460	\$ 1,491,846	\$ -	\$ 1,491,846
Stormwater	\$ 138,074	\$ 87,615	\$ 4,452	\$ 7,425	\$ 237,566	\$ -	\$ 237,566
Total							
Transportation	\$ 8,403,678	\$ 4,140,900	\$ 2,647,164	\$ 250,380	\$ 15,442,122	\$ 802,648	\$16,244,770
Parks	\$ 7,308,000	\$ 6,020,000	\$ 2,247,556	\$ 364,000	\$ 15,939,556	\$ 12,847	\$15,952,403
Santiary Sewer	\$ 3,461,382	\$ 2,851,330	\$ 1,189,025	\$ 172,406	\$ 7,674,143	\$ 423,170	\$ 8,097,313
Water	\$ 5,998,824	\$ 4,941,560	\$ 1,746,851	\$ 298,792	\$ 12,986,027	\$ 183,876	\$13,169,903
Stormwater	\$ 1,162,494	\$ 638,550	\$ 177,338	\$ 38,610	\$ 2,016,992	\$ 27,390	\$ 2,044,382
GRAND TOTAL	\$ 26,334,378	\$ 18,592,340	\$ 8,007,934	\$ 1,124,188	\$ 54,058,840	\$ 1,449,931	\$55,508,771

Source: City of Wilsonville SDC rates as of 12/1/2023.

Table 10 below compares the SDC revenue generated over the estimated construction timeframe for Frog Pond East and South against the SDC credits due to the developer for infrastructure “oversizing” as shown in Table 7. The analysis indicates that sufficient SDC revenue is generated within Frog Pond East and South to cover the SDC credits due to the developer for each 5 year increment of development phasing.

Table 10 Summary of SDC Revenue and Credits by 5-year Phasing and Infrastructure Type

	Gross SDC Revenue	Less Developer SDC Credits	Net SDC Revenue
Phase 2025-2030			
Transportation	\$5,908,557	(\$2,421,903)	\$3,486,654
Parks	\$4,934,971	\$0	\$4,934,971
Santiary Sewer	\$2,848,775	(\$259,081)	\$2,589,694
Water	\$4,149,965	(\$386,305)	\$3,763,660
Stormwater	\$604,896	\$0	\$604,896
Phase 2030-2035			
Transportation	\$6,856,938	(\$4,851,767)	\$2,005,171
Parks	\$7,297,180	(\$4,617,585)	\$2,679,595
Santiary Sewer	\$3,479,696	\$0	\$3,479,696
Water	\$5,971,477	(\$1,843,053)	\$4,128,424
Stormwater	\$949,509	\$0	\$949,509
Phase 2035-2040			
Transportation	\$1,798,361	(\$81,817)	\$1,716,544
Parks	\$1,899,828	\$0	\$1,899,828
Santiary Sewer	\$903,486	\$0	\$903,486
Water	\$1,556,615	\$0	\$1,556,615
Stormwater	\$252,411	\$0	\$252,411
Phase 2040 - 2045			
Transportation	\$1,680,914	\$0	\$1,680,914
Parks	\$1,820,424	\$0	\$1,820,424
Santiary Sewer	\$865,356	\$0	\$865,356
Water	\$1,491,846	(\$432,868)	\$1,058,978
Stormwater	\$237,566	\$0	\$237,566
Total			
Transportation	\$16,244,770	(\$7,355,486)	\$8,889,284
Parks	\$15,952,403	(\$4,617,585)	\$11,334,818
Santiary Sewer	\$8,097,313	(\$259,081)	\$7,838,232
Water	\$13,169,903	(\$2,662,226)	\$10,507,678
Stormwater	\$2,044,382	\$0	\$2,044,382
GRAND TOTAL	\$55,508,771	(\$14,894,377)	\$40,614,394

Table 11 below compares the net SDC revenue generated in Frog Pond East and South after developer credits are issued against the City's SDC contribution to Frog Pond East and South infrastructure projects as provided in Table 7. Generally, the SDC revenue collected within Frog Pond East and South is adequate to cover the City's responsibility for capital outlay of all infrastructure types and all 5-year increments of development phasing with the exception of Transportation improvements between the 2030-35 timeframe. During this development phase, the City's SDC funding responsibility for transportation infrastructure projects exceeds the estimated SDC revenue to be collected. However, the prior development phase timeframe, 2025-30, generates sufficient SDC revenue to account for City infrastructure responsibilities during this earlier timeframe and the projected shortage in the 2030-35 timeframe.

Table 11 Summary of SDC Revenue by Frog Pond East & South Capital Outlay

	Net SDC Revenue	Less Frog Pond Capital Outlay	SDC Revenue for Citywide CIP
Phase 2025-2030			
Transportation	\$3,486,654	\$0	\$3,486,654
Parks	\$4,934,971	\$0	\$4,934,971
Santiary Sewer	\$2,589,694	\$0	\$2,589,694
Water	\$3,763,660	\$0	\$3,763,660
Stormwater	\$604,896	\$0	\$604,896
Phase 2030-2035			
Transportation	\$2,005,171	(\$4,773,623)	(\$2,768,452)
Parks	\$2,679,595	\$0	\$2,679,595
Santiary Sewer	\$3,479,696	\$0	\$3,479,696
Water	\$4,128,424	(\$1,360,000)	\$2,768,424
Stormwater	\$949,509	\$0	\$949,509
Phase 2035-2040			
Transportation	\$1,716,544	\$0	\$1,716,544
Parks	\$1,899,828	\$0	\$1,899,828
Santiary Sewer	\$903,486	\$0	\$903,486
Water	\$1,556,615	\$0	\$1,556,615
Stormwater	\$252,411	\$0	\$252,411
Phase 2040 - 2045			
Transportation	\$1,680,914	\$0	\$1,680,914
Parks	\$1,820,424	\$0	\$1,820,424
Santiary Sewer	\$865,356	\$0	\$865,356
Water	\$1,058,978	\$0	\$1,058,978
Stormwater	\$237,566	\$0	\$237,566
Total			
Transportation	\$8,889,284	(\$4,773,623)	\$4,115,661
Parks	\$11,334,818	\$0	\$11,334,818
Santiary Sewer	\$7,838,232	\$0	\$7,838,232
Water	\$10,507,678	(\$1,360,000)	\$9,147,678
Stormwater	\$2,044,382	\$0	\$2,044,382
GRAND TOTAL	\$40,614,394	(\$6,133,623)	\$34,480,771

Section 3 Summary of Findings

Under the City's existing policies and practices for development, there is sufficient SDC revenue generated through development within Frog Pond East and South to account for both City SDC infrastructure funding responsibilities and SDC credits issued to developers for the "oversized" portion of developer constructed infrastructure. As a result, consideration of additional infrastructure funding options is not required under current City policy and practice, but may be further considered by the City to assist developers with potentially large capital costs early in the Frog Pond East and South development phases and when additional support is desired by the City. It should be noted that if the Frog Pond East & South development and/or infrastructure phasing assumption made as part of this analysis change, the City's required SDC cash flow may be affected and should be reassessed to ensure City SDC commitments can be met as development occurs overtime.

FROG POND EAST AND SOUTH INFRASTRUCTURE FUNDING PLAN SUPPORTING DOCUMENTATION FOR TECHNICAL ATTACHMENT

Transportation

Transportation Improvements Funding

Facility Name	Project	Total Capital Cost (2023\$)	Local Elements (non creditable) %	TSDC Credit %	CIP Funds %	Developer Cost \$	TSDC Credit \$	City Cost \$	Total Cost \$
STAFFORD ROAD (East Side)	Urban Upgrade	\$ 3,421,575	82.9%	17.1%	0.0%	\$ 2,836,486	\$ 585,089	\$ -	\$ 3,421,575
STAFFORD ROAD/ KAHLE ROAD	Roundabout	\$ 4,500,000	60.0%	40.0%	0.0%	\$ 2,700,000	\$ 1,800,000	\$ -	\$ 4,500,000
STAFFORD ROAD/ BRISBAND STREET	Roundabout	\$ 4,500,000	65.0%	35.0%	0.0%	\$ 2,925,000	\$ 1,575,000	\$ -	\$ 4,500,000
ADVANCE ROAD/60TH AVENUE	Roundabout	\$ 2,900,000	55.0%	45.0%	0.0%	\$ 1,595,000	\$ 1,305,000	\$ -	\$ 2,900,000
ADVANCE ROAD (North Side)	Urban Upgrade	\$ 4,306,140	79.1%	20.9%	0.0%	\$ 3,406,157	\$ 899,983	\$ -	\$ 4,306,140
ADVANCE ROAD (South Side)	Urban Upgrade	\$ 3,791,489	53.1%	11.2%	35.7%	\$ 2,012,287	\$ 425,098	\$ 1,354,104	\$ 3,791,489
60th AVENUE (North Side)	Neighborhood Collec	\$ 2,235,840	82.9%	17.1%	0.0%	\$ 1,853,511	\$ 382,329	\$ -	\$ 2,235,840
60th AVENUE (South Side)	Neighborhood Collec	\$ 6,839,040	44.4%	5.6%	50.0%	\$ 3,036,534	\$ 382,986	\$ 3,419,520	\$ 6,839,040
TOTAL COST		\$32,494,084				\$20,364,975	\$ 7,355,485	\$ 4,773,624	\$32,494,084

Transportation Improvements Funding Assumptions:

STAFFORD ROAD (EAST SIDE)



Total Right of Way Width (East Side) = 41 feet

Developer Responsibility (Local Portion)

- 20 feet of Pavement
 - Travel Lane = 11 feet
 - Bike Lane = 7 feet
 - Median = 2 feet
- 9 feet of Planter
- 5 feet of Sidewalk

Total = 34 feet (82.9%)

Oversized Portion (SDC Credit Eligible)

- 4 feet of Median
- 3 feet of Sidewalk

Total = 7 feet (17.1%)

STAFFORD/KAHLE ROUNDABOUT

Kahle West Traffic = 65 trips
 Kahle East Traffic = 95 trips
 Total Traffic = 160

Frog Pond East Developer Responsibility = 95/160 (60%)

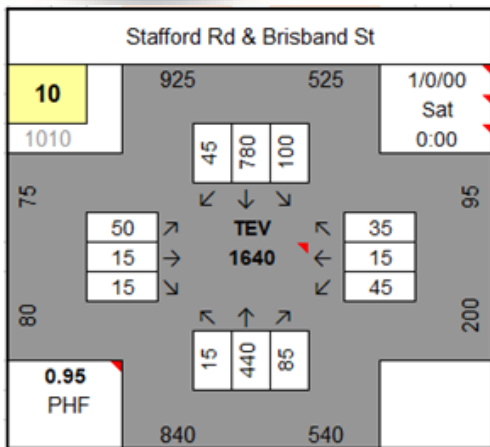
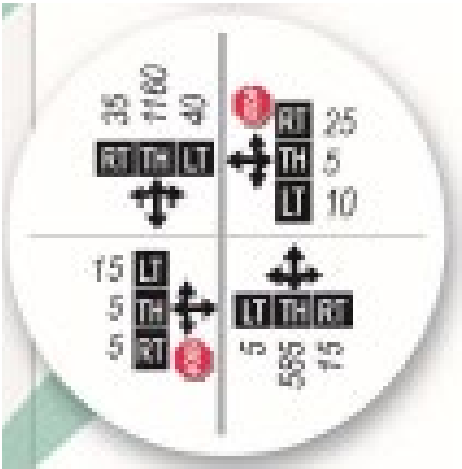
Frog Pond West Responsibility = 65/160 (40%)

Note: Not included in Frog Pond West Infrastructure Fee, so eligible for TSDC Credit.

STAFFORD/BRISBAND ROUNDABOUT

STAFFORD RD/BRISBAND ST	LOS D	0.85	>120	A/F
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STAFFORD RD/KAHLE RD	LOS D	0.65	>120	B/F
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Brisband West Traffic = 140 trips

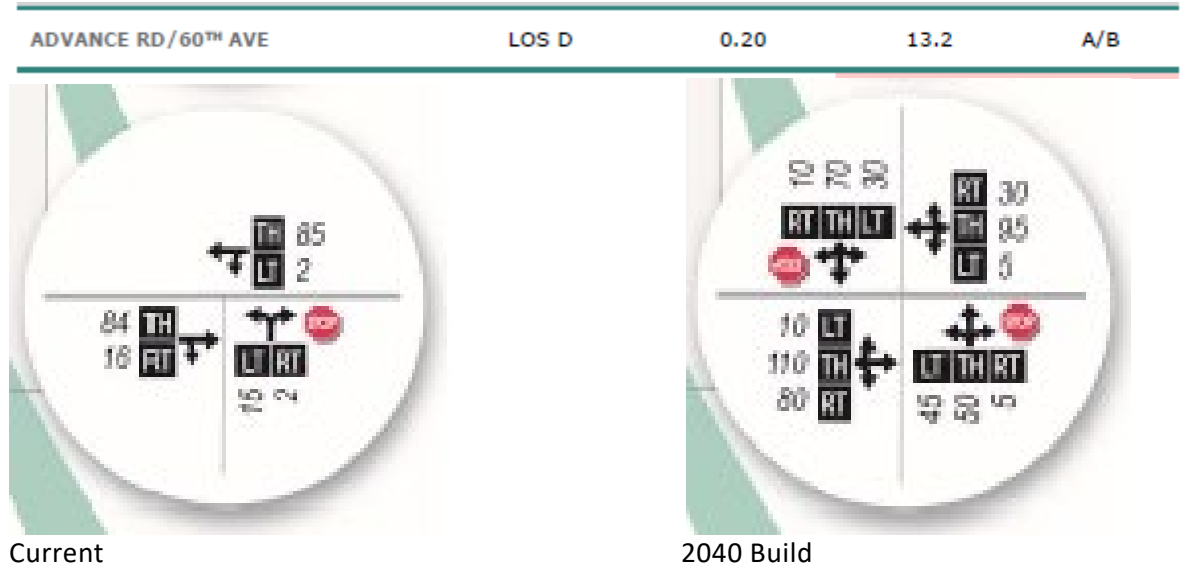
Brisband East Traffic = 260 trips
 Total Traffic = 400 trips

Frog Pond East Developer Responsibility 260/400 (65%)

Frog Pond West Responsibility 140/400 (35%)

Note: Not included in Frog Pond West Infrastructure Fee, so eligible for TSDC Credit.

ADVANCE/60TH ROUNDABOUT



Frog Pond East New Development Traffic = 150 trips
 Frog Pond South New Development Traffic = 150 trips
 Frog Pond South Existing Traffic = 35 trips
 Advance Road Through Traffic = 205 trips

Roundabout is for safety and circulation, not for capacity. As a result, the portion of the roundabout serving existing traffic unrelated to development can be eligible for TSDC Credit.

Frog Pond East Developer Responsibility 150/540 (27.5%)
 Frog Pond South Developer Responsibility 150/540 (27.5%)
 Frog Pond Developer Responsibility Total 300/540 (55.0%)

TSDC Credit Eligible 240/540 (45.0%)

ADVANCE ROAD (NORTH SIDE)

Figure 22. Cross Section of SW Advance Road

*A protected bike lane adjacent to the sidewalk is an option to be determined by City Engineer at the time of design.



Total Right of Way Width (North Side) = 43 feet

Developer Responsibility (Local Portion)

Oversized Portion (SDC Credit Eligible)

- 20 feet of Pavement
 - Travel Lane = 11 feet
 - Bike Lane = 9 feet
- 9 feet of Planter
- 5 feet of Sidewalk
- Total = 34 feet (79.1%)

- 6 feet of Median
- 3 feet of Sidewalk
- Total = 9 feet (20.9%)

ADVANCE ROAD (SOUTH SIDE)

Figure 22. Cross Section of SW Advance Road

*A protected bike lane adjacent to the sidewalk is an option to be determined by City Engineer at the time of design.



Total Right of Way Width (South Side) = 47 feet

Developer Responsibility (Local Portion)

Oversized Portion (SDC Credit Eligible)

20 feet of Pavement
 Travel Lane = 11 feet
 Bike Lane = 9 feet
 9 feet of Planter
 5 feet of Sidewalk

6 feet of Median
 7 feet of Sidewalk

Total = 34 feet (72.3%)

Total = 13 feet (27.7%)

Undeveloped Property West of 63rd Avenue – Advance Road Frontage = 500 feet
 Frontage already improved with Meridian Creek Middle School Construction
 However, Advance Road Crosssection Modified with Frog Pond East and South Master Plan
 Advance Road Frontage Modifications are Anticipated with Development, but not oversized.
 Developer responsible for 100% of Advance Road Frontage

Planned Frog Pond Park – Advance Road Frontage = 750 feet
 City responsible for 100% of Advance Road Frontage

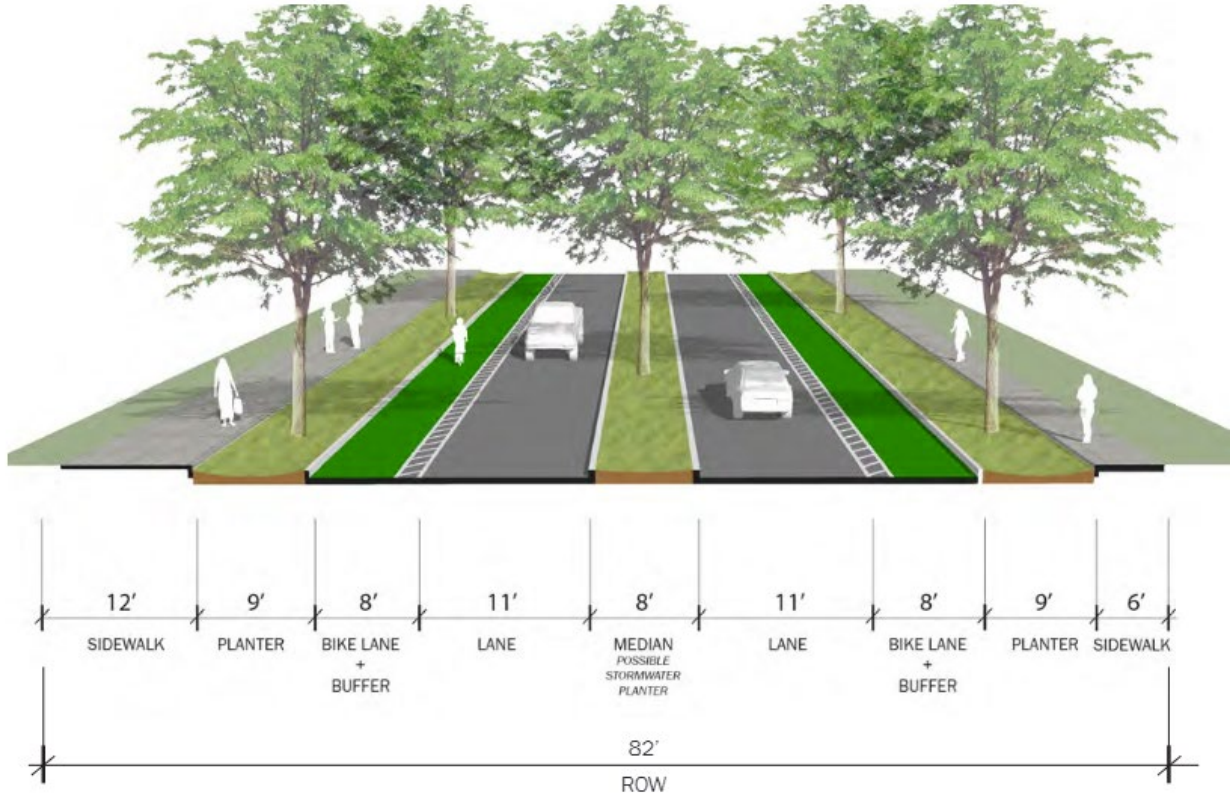
Remainder of Advance Road Frontage = 850 feet
 Developer responsible for Local Portion, with Oversized Portion Eligible for SDC Credit

City Transportation CIP = 750/2100 (35.7143%)

Developer Responsibility = $(500/2100) * 100\% + (850/2100) * 72.3\% = (53.07381\%)$
 Oversized Portion (SDC Credit Eligible = $(850/2100) * 27.7\% = (11.2119\%)$

60TH AVENUE (NORTH OF ADVANCE ROAD)

Figure 23. Cross Section of SW 60th Avenue North of SW Advance Road



SW 60TH AVENUE

Total Right of Way Width (West Side) = 44 feet

Developer Responsibility (Local Portion)

Oversized Portion (SDC Credit Eligible)

20 feet of Pavement
 Travel Lane = 11 feet
 Bike Lane = 8 feet
 Median = 1 feet

3 feet of Median
 7 feet of Sidewalk

9 feet of Planter
 5 feet of Sidewalk

Total = 34 feet (77.3%)

Total = 10 feet (22.7%)

Total Right of Way Width (East Side) = 38 feet

Developer Responsibility (Local Portion)

- 20 feet of Pavement
 - Travel Lane = 11 feet
 - Bike Lane = 8 feet
 - Median = 1 feet
- 9 feet of Planter
- 5 feet of Sidewalk

Total = 34 feet (89.5%)

Oversized Portion (SDC Credit Eligible)

- 3 feet of Median
- 1 feet of Sidewalk

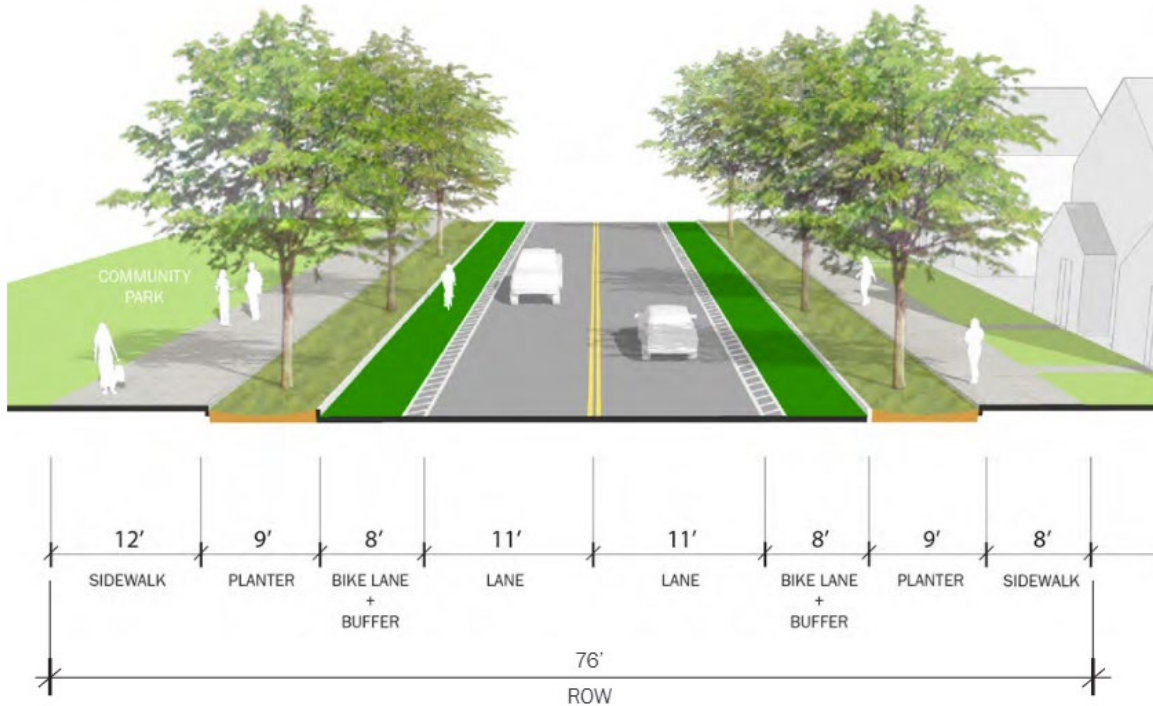
Total = 4 feet (10.5%)

Total Developer Responsibility (Local Portion) = 68/82 (82.9%)

Total Oversized Portion (SDC Credit Eligible) = 14/82 (17.1%)

60TH AVENUE (SOUTH OF ADVANCE ROAD)

Figure 24. Cross Section of SW 60th Avenue Collector



SW 60TH AVENUE COLLECTOR

The entirety of the west half of the 60th Avenue fronts the Planned Frog Pond Park owned by the City of Wilsonville and the already developed Meridian Creek Middle School property owned by the

West Linn-Wilsonville School District. For the purposes of this analysis, it is assumed that the City will be 100% responsible of the 60th Avenue Road Frontage.

Total Right of Way Width (East Side) = 36 feet

Developer Responsibility (Local Portion)

- 20 feet of Pavement
 - Travel Lane = 11 feet
 - Bike Lane = 8 feet
 - Sidewalk = 1 feet
- 9 feet of Planter
- 5 feet of Sidewalk

Total = 34 feet (94.4%)

Oversized Portion (SDC Credit Eligible)

- 2 feet of Sidewalk

Total = 2 feet (5.6%)

Total

City Transportation CIP = 50%

Developer Responsibility = 44.4%

Oversized Portion (SDC Credit Eligible = 5.6%)

Parks

Parks Improvements Funding

Facility Name	Project	Total Capital Cost (2023\$)	Local Elements (non creditable) %	Parks SDC Credit %	CIP Funds %	Developer Cost \$	Parks SDC Credit \$	City Cost \$	Total Cost \$
FROG POND EAST NEIGHBORHOOD	Trails	\$ 2,373,525	0.0%	100.0%	0.0%	\$ -	\$ 2,373,525	\$ -	\$ 2,373,525
FROG POND SOUTH NEIGHBORHOOD	Trails	\$ 2,244,060	0.0%	100.0%	0.0%	\$ -	\$ 2,244,060	\$ -	\$ 2,244,060
TOTAL COST		\$ 4,617,585				\$ -	\$ 4,617,585	\$ -	\$ 4,617,585

Parks Improvements Funding Assumptions:

FROG POND EAST NEIGHBORHOOD TRAILS

BPA Trail is 100% Parks SDC Credit Eligible.

Connections between the BPA Trail and neighborhood is 100% developer responsibility.

FROG POND SOUTH NEIGHBORHOOD TRAILS

Main Trail is 100% Parks SDC Credit Eligible.

Connections between the Main Trail and neighborhood is 100% developer responsibility.

Sanitary Sewer

Sanitary Sewer Improvements Funding

Facility Name	Project	Total Capital Cost (2023\$)	Local Elements (non creditable) %	Sewer SDC Credit %	CIP Funds %	Developer Cost \$	Sewer SDC Credit \$	City Cost \$	Total Cost \$
ADVANCE ROAD	10" Sewer Main	\$ 492,230	90.62%	9.38%	0.00%	\$ 446,059	\$ 46,171	\$ -	\$ 492,230
STAFFORD ROAD	12" Sewer Main	\$ 1,447,380	85.29%	14.71%	0.00%	\$ 1,234,470	\$ 212,910	\$ -	\$ 1,447,380
KAHLE WEST NEIGHBORHOOD	Lift Station & Force M	\$ 3,178,660	100.00%	0.00%	0.00%	\$ 3,178,660	\$ -	\$ -	\$ 3,178,660
KAHLE EAST NEIGHBORHOOD	Lift Station & Force M	\$ 2,485,400	100.00%	0.00%	0.00%	\$ 2,485,400	\$ -	\$ -	\$ 2,485,400
ADVANCE EAST NEIGHBORHOOD	Lift Station & Force M	\$ 2,485,400	100.00%	0.00%	0.00%	\$ 2,485,400	\$ -	\$ -	\$ 2,485,400
SOUTH NEIGHBORHOOD	Lift Station & Force M	\$ 2,764,064	100.00%	0.00%	0.00%	\$ 2,764,064	\$ -	\$ -	\$ 2,764,064
TOTAL COST		\$12,853,134				\$12,594,053	\$ 259,081	\$ -	\$12,853,134

Sanitary Sewer Improvements Funding Assumptions:

The oversize portion of a pipeline that is eligible for Sewer SDC Credit for the purposes of this analysis is based on the linear foot cost difference for different sizes of sewer pipe according 2022 Oregon Department of Transportation average construction bid pricing as follows. Sewer SDC Credits will be based on actual oversize costs at the time of construction.

- 8" Sanitary Sewer Pipe - \$145.00 per linear foot (Developer Responsibility – Local Portion)
- 10" Sanitary Sewer Pipe - \$160.00 per linear foot (9.38% Oversize)
- 12" Sanitary Sewer Pipe - \$170.00 per linear foot (14.71% Oversize)

Water

Water Improvements Funding

Facility Name	Project	Total Capital Cost (2023\$)	Local Elements (non creditable) %	Water SDC Credit %	CIP Funds %	Developer Cost \$	Water SDC Credit \$	City Cost \$	Total Cost \$
STAFFORD ROAD	12" main	\$ 1,170,620	67.0%	33.0%	0.0%	\$ 784,315	\$ 386,305	\$ -	\$ 1,170,620
ADVANCE ROAD	12" main	\$ 425,680	67.0%	33.0%	0.0%	\$ 285,206	\$ 140,474	\$ -	\$ 425,680
KAHLE WEST NEIGHBORHOOD	12" main - Kahle Road	\$ 585,310	67.0%	33.0%	0.0%	\$ 392,158	\$ 193,152	\$ -	\$ 585,310
KAHLE WEST NEIGHBORHOOD	12" main - Interior	\$ 601,800	67.0%	33.0%	0.0%	\$ 403,206	\$ 198,594	\$ -	\$ 601,800
KAHLE EAST NEIGHBORHOOD	12" main	\$ 1,311,720	67.0%	33.0%	0.0%	\$ 878,852	\$ 432,868	\$ -	\$ 1,311,720
60th AVENUE, BRISBAND	12" main	\$ 1,504,500	67.0%	33.0%	0.0%	\$ 1,008,015	\$ 496,485	\$ -	\$ 1,504,500
FROG POND WEST EXTENSION	12" main	\$ 372,470	67.0%	33.0%	0.0%	\$ 249,555	\$ 122,915	\$ -	\$ 372,470
BOECKMAN CREEK X-ING (Frog Pond Ln)	12" main	\$ 1,360,000	0.0%	0.0%	100.0%	\$ -	\$ -	\$ 1,360,000	\$ 1,360,000
60th AVENUE (South of Advance)	12" main	\$ 1,755,250	67.0%	33.0%	0.0%	\$ 1,176,018	\$ 579,233	\$ -	\$ 1,755,250
MERIDIAN CREEK X-ING	12" main	\$ 340,000	67.0%	33.0%	0.0%	\$ 227,800	\$ 112,200	\$ -	\$ 340,000
TOTAL COST		\$ 9,427,350				\$ 5,405,125	\$ 2,662,226	\$ 1,360,000	\$ 9,427,350

Water Improvements Funding Assumptions:

The oversize portion of a pipeline that is eligible for Water SDC Credit for the purposes of this analysis is based on the linear foot cost difference for different sizes of water pipe according 2022 Oregon Department of Transportation average construction bid pricing as follows. Water SDC Credits will be based on actual oversize costs at the time of construction.

- 8" Water Pipe - \$146.41 per linear foot (Developer Responsibility – Local Portion)

12" Water Pipe - \$218.52 per linear foot (67% Oversize)

Storm Drainage

Storm Drainage Improvements Funding

Facility Name	Project	Total Capital Cost (2023\$)	Local Elements (non creditable) %	Storm SDC Credit %	CIP Funds %	Developer Cost \$	Storm SDC Credit \$	City Cost \$	Total Cost \$
K1 / Advance/60th	30" Storm Main	\$ 249,008	100.0%	0.0%	0.0%	\$ 249,008	\$ -	\$ -	\$ 249,008
K1 / Advance/60th	24" Storm Main	\$ 1,359,925	100.0%	0.0%	0.0%	\$ 1,359,925	\$ -	\$ -	\$ 1,359,925
K1 / Advance/60th	18" Storm Main	\$ 837,795	100.0%	0.0%	0.0%	\$ 837,795	\$ -	\$ -	\$ 837,795
K1 / East of 60th, South of Advance	24" Storm Main	\$ 796,670	100.0%	0.0%	0.0%	\$ 796,670	\$ -	\$ -	\$ 796,670
K1 / East of 60th, South of Advance	18" Storm Main	\$ 2,903,600	100.0%	0.0%	0.0%	\$ 2,903,600	\$ -	\$ -	\$ 2,903,600
K1 / East of 60th, South of Advance	Regional Facility	\$ 475,125	100.0%	0.0%	0.0%	\$ 475,125	\$ -	\$ -	\$ 475,125
K1	30" Outfall	\$ 131,250	100.0%	0.0%	0.0%	\$ 131,250	\$ -	\$ -	\$ 131,250
K2	Storm Mains	\$ 1,304,256	100.0%	0.0%	0.0%	\$ 1,304,256	\$ -	\$ -	\$ 1,304,256
M1	Storm Mains, Outfall	\$ 4,021,918	100.0%	0.0%	0.0%	\$ 4,021,918	\$ -	\$ -	\$ 4,021,918
M2	Storm Mains, Outfall	\$ 767,575	100.0%	0.0%	0.0%	\$ 767,575	\$ -	\$ -	\$ 767,575
M3	24" Storm Main	\$ 609,140	100.0%	0.0%	0.0%	\$ 609,140	\$ -	\$ -	\$ 609,140
M3	18" Storm Main	\$ 369,600	100.0%	0.0%	0.0%	\$ 369,600	\$ -	\$ -	\$ 369,600
M3	18" Storm Main	\$ 1,924,808	100.0%	0.0%	0.0%	\$ 1,924,808	\$ -	\$ -	\$ 1,924,808
M3	24" Outfall	\$ 131,250	100.0%	0.0%	0.0%	\$ 131,250	\$ -	\$ -	\$ 131,250
N1	St. Mains, Reg. Facility	\$ 659,225	100.0%	0.0%	0.0%	\$ 659,225	\$ -	\$ -	\$ 659,225
N1	18" Storm Main	\$ 1,924,808	100.0%	0.0%	0.0%	\$ 1,924,808	\$ -	\$ -	\$ 1,924,808
N2	St. Mains, Reg. Facility	\$ 2,485,196	100.0%	0.0%	0.0%	\$ 2,485,196	\$ -	\$ -	\$ 2,485,196
N3	Storm Mains, Outfall	\$ 2,279,571	100.0%	0.0%	0.0%	\$ 2,279,571	\$ -	\$ -	\$ 2,279,571
N4	Storm Mains, Outfall	\$ 2,127,148	100.0%	0.0%	0.0%	\$ 2,127,148	\$ -	\$ -	\$ 2,127,148
N5	Storm Mains, Outfall	\$ 350,259	100.0%	0.0%	0.0%	\$ 350,259	\$ -	\$ -	\$ 350,259
TOTAL COST		\$25,708,127				\$25,708,127	\$ -	\$ -	\$25,708,127

Storm Drainage Improvements Funding Assumptions:

All identified storm drainage facilities do not provide additional capacity and only serve the Frog Pond East and South development areas. As a result, the identified storm drainage facilities are 100% developer responsibility.



Appendix H. Infrastructure Funding Plan



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Memorandum

Date 3 June 2015
To Chris Neamtzu, City of Wilsonville
From Brian Vanneman, Leland Consulting Group
CC Joe Dills, Angelo Planning Group
Subject **Frog Pond Area Plan: Infrastructure Funding Strategy**
Project 5462 Frog Pond

INTRODUCTION AND EXECUTIVE SUMMARY

The Frog Pond Area Plan, led by the City of Wilsonville, will establish a vision for the 500-acre Frog Pond area and define expectations for the type of community it will be in the future. This memorandum is a part of the Frog Pond Area Plan and summarizes Leland Consulting Group's (LCG) infrastructure funding analysis and proposed strategy, which has been developed in collaboration with City of Wilsonville Community Development, Public Works, and Economic Development staff, and the Angelo Planning Group (APG) team. The types of infrastructure evaluated in this memorandum are transportation, sanitary sewer, water, stormwater, and parks.

Key findings and recommendations of this funding strategy include:

- **Funding strategies vary depending on the category and scale of infrastructure.** “Local” infrastructure will be paid for by developers, “*framework*” infrastructure such as Frog Pond arterial roads will be shared between developers and the City when oversizing is involved, and “*major off-site*” infrastructure will be built and paid for by the City through the Capital Improvement Projects (CIP) program. Descriptions of these three infrastructure categories and who pays for what infrastructure begins on page 4.
- **There are more than 40 different infrastructure projects proposed for the 500-acre Frog Pond Area.** The costs of these facilities have been estimated by DKS Associates (DKS), Murray, Smith & Associates, Inc. (MSA), and the City. Each of these facilities falls into one of the three categories listed above. A complete list of the infrastructure facilities and the recommended funding strategy for each begins on page 10.
- **This funding strategy defines two “reimbursement areas”—one for the West (“RA-W”) and East and South (“RA-E”) Neighborhoods—along with several infrastructure funding strategies that could be used in these areas.** In each reimbursement area, a number of framework infrastructure projects will benefit properties throughout the area. Therefore, the costs of these projects should be equitably distributed among multiple property owners, since there is currently no major, well-capitalized master developer capable of undertaking major infrastructure improvements within Frog Pond. For example, upgrades to Boeckman and Stafford Roads, and two new Neighborhood Parks, will benefit the entire West Neighborhood (and the City as a whole), and their cost cannot be carried by any single property owner.
- **The primary tools by which framework projects in the RA are likely to be funded are developer-initiated reimbursement districts, local improvement districts (LID), and city-initiated reimbursement districts.** These options can also be mixed and matched—both reimbursement districts and LIDs could be implemented to fund different projects in RA-W and –E. Both reimbursement districts and LIDs are tools whereby infrastructure is built upfront by a developer or the City, and the developer is then reimbursed for cost via fees or assessments from property

owners over time. A description of framework infrastructure and potential funding strategies begins on page 5.

- **The total cost of framework projects proposed to be paid for through reimbursement districts or LIDs is estimated to be \$10.6 and \$11.0 million respectively in the RA-W and RA-E, so these projects will therefore be a significant funding obligation for the developer or City.** However, these investments will be phased; while the RA-W improvements could be needed within the next few years, the RA-E may not be needed for some time.
- **Development in the Frog Pond area will generate significant SDC revenues, ranging from \$46.8 to \$55.4 million depending on which land use option is selected.** Several different variations of CIP-related revenues and costs are evaluated beginning on page 14. In this context, “revenues” are Systems Development Charges (SDCs, fees paid by developers when applying for building permits) and “costs” are infrastructure paid for by the CIP fund. (Costs associated with reimbursement districts or LIDs are not considered in this calculation since they will be financed and reimbursed separately.) If projected revenues from all three Frog Pond neighborhoods (West, East, and South) are taken into account, SDC revenues should exceed allocated CIP costs. If only the West Neighborhood is considered, then there is a funding gap for transportation, of \$1 million for Option D and \$1.95 million for Option E, due to CIP contributions to the Boeckman Road Bridge, and Boeckman and Stafford Road Urban Upgrade projects. There is a small sanitary sewer surplus (just under \$160,000 for Option E). Water, Stormwater, and Parks SDCs show a surplus.
- **The proposed reimbursement areas will likely pass on most of the framework infrastructure costs to the developers and homebuilders who invest in Frog Pond via a cost allocation (fee or assessment) for each unit of housing.** Because different costs will be passed on to the West and East/South Neighborhoods, and there are different land use options (D and E), this per-unit cost allocation can vary. In the West Neighborhood, this reimbursement district fee is likely to be between \$14,100 (Option D) and \$17,000 (Option E), for the East and South Neighborhoods, it is likely to be between (\$7,500 and \$9,100), since more homes and commercial development are planned East of Stafford Road, but comparatively less infrastructure costs. This calculation is shown on page 18. It should be noted that there are different approaches (i.e., per acre) to calculating proportionate shares for reimbursement districts. For purposes of this memo, a per-door cost has been used.

TYPES OF INFRASTRUCTURE

This memorandum proposes a funding strategy for the following five types of infrastructure: transportation, sanitary sewer, water, stormwater, and parks. These are the types of infrastructure that are essential to new residential communities, and the City will play some role in the provision of this infrastructure. Collectively, this infrastructure includes arterial and collector roads, sanitary sewer pipes and pump stations, water pipes and reservoirs, stormwater detention ponds and detention basins, and trails and parks. Other types of infrastructure—particularly utilities such as power and cable—will be needed for Frog Pond, but are not paid for in whole or part by the City of Wilsonville and are therefore not considered here.

Infrastructure cost estimates for Frog Pond were completed by DKS Associates (transportation), Murray, Smith & Associates, Inc. (sanitary sewer, water, and stormwater), and the City of Wilsonville (parks). The City of Wilsonville’s Engineering Division provided actual costs (engineering estimates or contractor bids) for more than 20 completed residential subdivision projects that were built in the city between 2005 and 2014. The primary sources for the cost estimates used here are listed below. Additional supplementary sources used can be found in the Appendices.

- *Frog Pond Area Plan – Future Transportation Analysis*, September 24, 2014, DKS Associates, and subsequent refinements to cost estimates (received May 27, 2015).
- *Frog Pond Area Plan – Concept Plan Infrastructure Analysis*, Murray, Smith & Associates, Inc., March 18, 2015.

Figures 1 and 2 below are representative images from the analysis prepared by DKS and MSA that show the location and types of infrastructure planned for Frog Pond. They are intended to be illustrative rather than a complete catalog of infrastructure. Figure 1 shows transportation infrastructure such as streets and trails. Figure 2 shows the sanitary sewer, water, and stormwater infrastructure proposed for the Frog Pond West Neighborhood (as red, blue, and green lines, respectively).

This memorandum does not contain detailed descriptions or specifications about the infrastructure to be funded. For example, DKS' recommendation is that the Advance Road Urban Upgrade project would upgrade "the existing road to a 3-lane cross section with sidewalks and bike lanes, which would be similar for either a Collector or Minor Arterial..." For such detailed descriptions of Frog Pond infrastructure, please consult the work prepared by DKS, MSA, and Angelo Planning Group (APG).

Figure 1. Auto, Bicycle and Pedestrian Transportation Infrastructure Diagram (DKS)

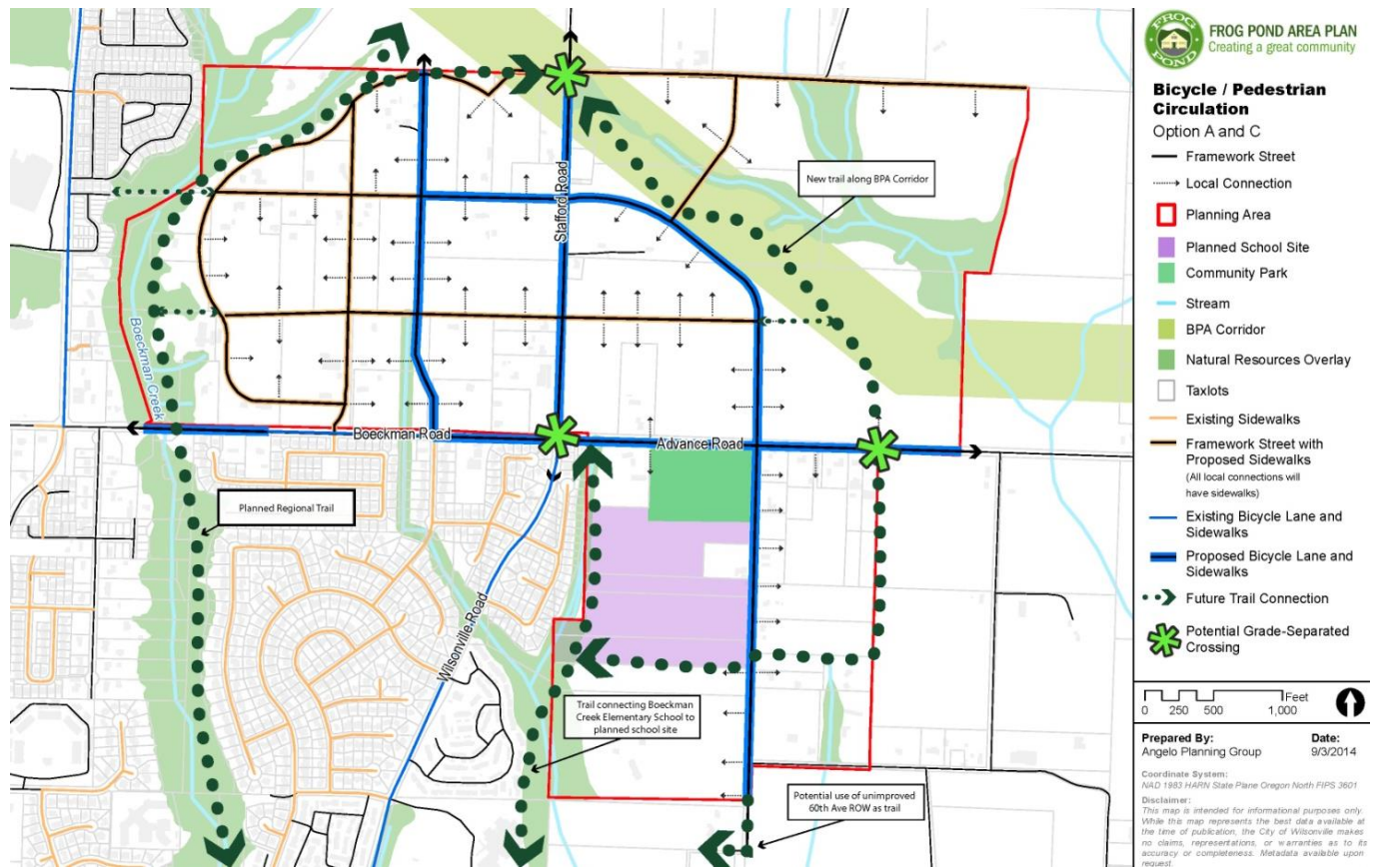
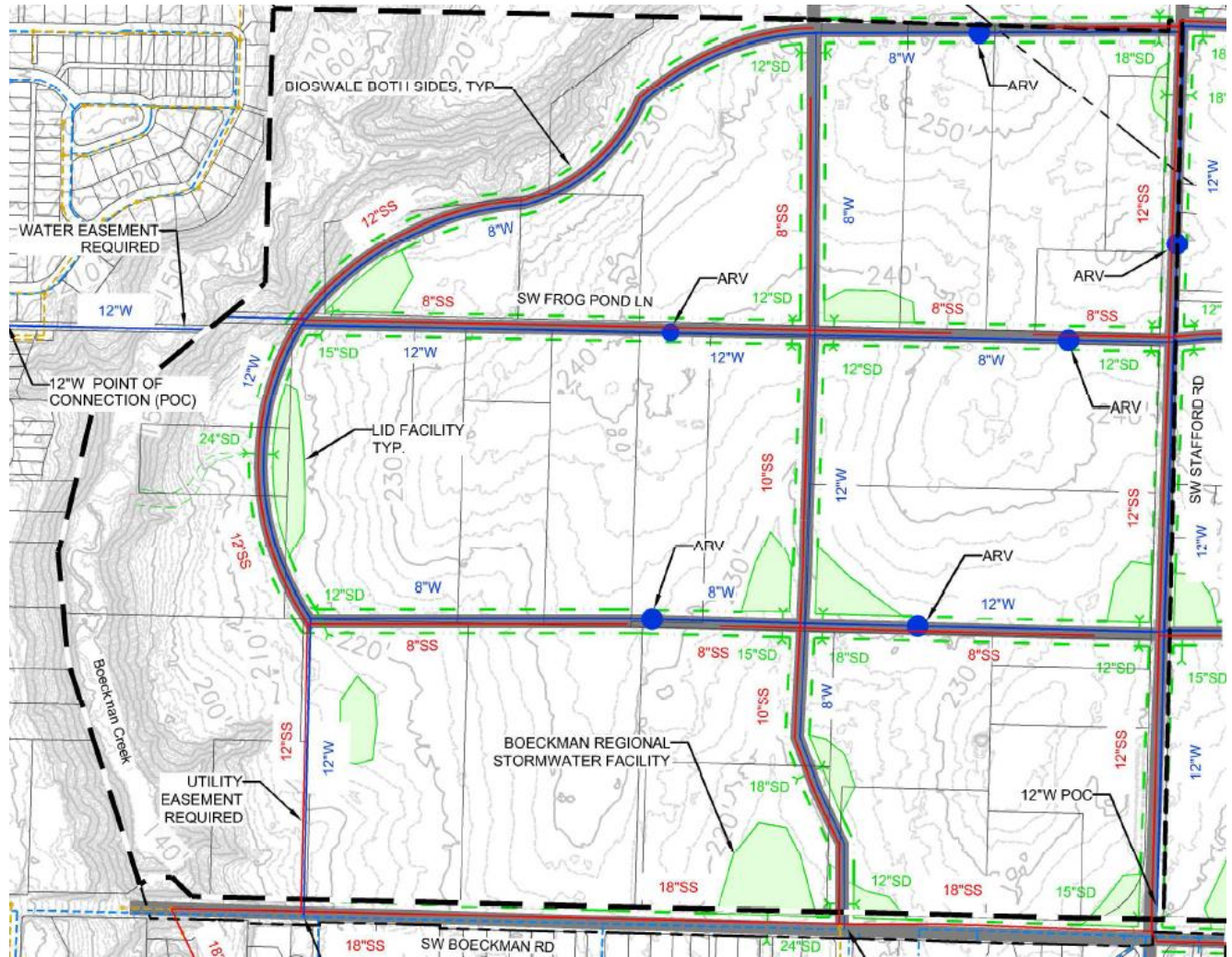


Figure 2. Frog Pond Composite Utility Plan – West Neighborhood (MSA)



INFRASTRUCTURE CATEGORIES AND FUNDING APPROACHES

There are three different categories or scales of infrastructure, which are listed below. It is important to distinguish between each of these infrastructure categories because different approaches to and sources of funding (e.g., City or developer) are typically used for each of the different categories. This funding strategy also recommends different approaches for each of these infrastructure categories.

- “Local” or “on-site” infrastructure;
- “Major off-site” infrastructure; and
- “Framework” or “major framework” infrastructure.

Local or On-Site Infrastructure

- “Local” or “on-site” infrastructure is located on or adjacent to a development property and largely serves the development (residential or commercial) that is on the site. This infrastructure may be of any type—transportation, sanitary sewer, water, stormwater, or parks.

- The City’s policy is that this infrastructure is built and largely paid for by developers. The City may participate via SDC credits for oversized components (explained in the Framework Infrastructure section below).
- An example of local infrastructure is a local street 8-inch water line or sewer line that will serve a development site.
- The costs of the most local level of on-site infrastructure (with no oversized component) are not considered in this funding strategy since these are the responsibility of individual developers. These developer costs, are however, considered separately, in the Land Development Financial Analysis memorandum.
- This funding strategy recommends that developers continue to pay for local infrastructure up front, while receiving SDC credits for oversized components, in keeping with the City’s policies.

Major Off-Site Infrastructure

- Major off-site infrastructure is infrastructure that is located outside of the 500-acre Frog Pond concept plan boundary.
- Examples include the West Side (water) Reservoir, Boeckman Trunk Sewer Line, Memorial Park Pump Station (MPPS), Boeckman Road Bridge, and Stafford Road—65th Ave Intersection Improvements.
- One reason this infrastructure is different from framework infrastructure is that a greater share of its capacity is needed to serve other parts of the City. Put another way, these are projects of citywide importance. For example, MSA has estimated that 25 percent of the capacity of the West Side Reservoir is needed for Frog Pond; the other 75 percent is needed to support growth in other parts of the City.
- For this reason, major off-site infrastructure is built and paid for by the City of Wilsonville through the CIP. SDCs are the primary source of funding for CIP facilities intended to provide capacity for growth; additional funding may come from utility rate funds, general fund reserves, transfers from other government agencies, and urban renewal funds (within urban renewal areas).
- Information on the City’s capital projects program can be found at:
<http://www.ci.wilsonville.or.us/DocumentCenter/View/7317>

Framework Infrastructure

- “Framework” or “major framework” infrastructure is larger than local infrastructure, serves many properties within Frog Pond, and is located within or adjacent to the Frog Pond boundary.
- Examples include upgrades to Boeckman and Stafford Roads, which will serve all of the homes planned for Frog Pond, as well as (to some degree) residents and businesses elsewhere in the City. Another example is the “oversized” water line in Stafford Road.
- In terms of scale and location, framework infrastructure is between local and major off-site infrastructure. However, there are likely to be more policy and logistical choices associated with framework than local or major off-site infrastructure.
- There is a developer and City share of most framework infrastructure, meaning that some part of the costs is paid for by both parties. This is in recognition that this larger infrastructure serves both the immediately surrounding development, as well as current and future residents and businesses. The developer share is the minimum size of the facility that is required by the City to serve the proposed development. For roads, the minimum required size is 24 feet from face of curb, or 48 feet if developers control both sides of the road. For sewer and water pipes, the minimum required pipe size

is 8 inches. The size of the facility beyond this minimum required size is the “oversize” amount, which is the City’s responsibility.

- These facilities may be built and paid for by developers, or by the City. If developers build the facility, they typically pay directly for the entire facility; the City contributes its (oversize) share via SDC credits, which developers can count against the SDC fees they owe at the time of building permit issuance. Several additional framework infrastructure funding strategies are described in the section below.
- This funding strategy recommends that the City consider taking an assertive and creative approach to coordinate the building of framework infrastructure and consider the tools described below, such as developer- and City-initiated reimbursement districts, and local improvement districts (LIDs). This is in part because there is at present no master developer at Frog Pond, and thus no known, well-capitalized party capable of financing major framework infrastructure.

FRAMEWORK INFRASTRUCTURE FUNDING STRATEGIES

While the appropriate funding strategy for local and major off-site improvements is relatively straightforward (developer and CIP funding, respectively), funding for framework infrastructure requires more careful consideration for several reasons:

- Framework infrastructure costs are significant—greater than local infrastructure—and must be paid for early in the development process, while the revenues that offset those costs (such as fees, lot or home sales) come later and may take place over many years, inferring that a financing mechanism or other approach is needed.
- The infrastructure will benefit multiple properties. The costs and benefits of infrastructure are not necessarily evenly divided among parties. For example, a 2.5-acre neighborhood park could theoretically be sited on a 5-acre property. While the land and construction cost for this park would typically fall to the developer, property owners and future residents throughout the West Neighborhood will benefit from the park. Thus, the cost would be concentrated and the benefit widespread. A mechanism that can distribute the costs among multiple parties is therefore needed.
- At this time, the City cannot rely on a “master developer” who would fund major projects as part of developing a significant part of Frog Pond West. As stated above, there is as yet no master developer or major land owners in the Frog Pond Area and thus no known, well-capitalized party capable of financing such major framework infrastructure. Currently, property is divided amongst many land owners. There are 26 property owners in the West Neighborhood, and the average property size is 5 acres. The largest ownership is 25 acres and the smallest is 0.9 acres.
- City action that helps to implement framework infrastructure will show momentum and public commitment to moving Frog Pond forward in a phased and logical manner. Cities often use their ability to invest in infrastructure to strategically advance the development of employment, residential, and mixed use areas.
- Without a larger funding strategy, small early developers in Frog Pond could struggle to make the infrastructure improvements necessary to develop their sites.

Reimbursement Areas

Given this context for framework infrastructure, an important component of this funding strategy is two “reimbursement areas”—one that encompasses infrastructure related to the West Neighborhood (RA-W), and one that encompasses infrastructure related to the East and South Neighborhoods (RA-E).

These reimbursement areas could incorporate some or all of the following specific funding tools, several of which are described in greater detail below:

- Reimbursement districts (RD), either developer or city initiated. Within each reimbursement *area* (West and East), numerous individual reimbursement *districts* could exist.
- LID, either developer or city initiated; or Advance Finance Districts (AFD), a variation on LID.
- Supplemental SDC.
- Expansion of the types of facilities that are considered SDC creditable by the City.
- Direct CIP investments.

The basic principles behind RD, LID, and supplemental SDCs are relatively similar: infrastructure is built and paid for in advance, and fees paid by property owners or developers over time serve to pay the principal, interest, and administrative costs associated with funding the original infrastructure.

There are approximately \$10.6 million of major framework project costs within the RA-W, associated with the projects listed below. A detailed list of all projects, and the portion that RA-W would pay, is included in Tables 1 through 3, which begin on page 11.

- Two Neighborhood Parks in the West Neighborhood;
- Boeckman Road Urban Upgrade, including associated sewer and water lines in the right of way;
- Stafford Road Urban Upgrade, including associated sewer and water lines in the right of way; and
- Boeckman/Stafford Traffic Signal.

There are approximately \$11.0 million of major framework project costs within the RA-E, as shown in Tables 1 through 3.

Improvements and funding mechanisms for the RA-W are likely to be needed before RA-E. Improvements and funding mechanisms for RA-W could be initiated following the adoption of the Frog Pond Area Plan and subsequent West Neighborhood Master Plan (Phase 2 of this project). The RA-E would only be initiated when the East and South Neighborhoods are brought into the Urban Growth Boundary and ready for development, which could be many years.

Reimbursement Districts

A reimbursement district is an area within which one party (a developer or the City) builds infrastructure that benefits multiple property owners. The other benefiting property owners pay a reimbursement fee—a pro rata share of the infrastructure costs (determined on a per-unit, lineal foot, or per-acre basis)—to the original developer or City, typically at the time when property owners seek public works permits for development. A single reimbursement district could cover all of the infrastructure in RA-W, or there could be numerous districts to cover different pieces of road, park, sewer, and water infrastructure. Reimbursement district fees are in addition to SDCs.

The City has used reimbursement districts in the past, for example, the City formed the Coffee Lake Drive Sewer Improvements Reimbursement District in 2012. The City's Reimbursement District policies are set forth in section 3.116 of the City Code.

LCG recommends that the following approaches and mechanisms be included in reimbursement districts, which should help to mitigate the costs and risk to the City:

- Developers should be encouraged to form and provide funding for reimbursement district improvements.
- RA-W improvements can be phased. For example, Boeckman Road might be improved before Stafford Road, which would enable developers or the City to stagger or phase its investments and take on smaller amounts of debt at any one time.

- Include an inflationary factor in the calculation of the reimbursement fee, which can help cover the developers or the City's interest carrying costs over time.
- Be prepared to extend the "sunset" time period for the reimbursement district, so that developers or the City can recapture all costs. The sunset time period is pre-set at ten years currently, and can be extended by the City Council for "good cause."

In a developer-initiated reimbursement district, a developer pays directly for the entire facility; the City contributes its (oversize) share via Systems Development Charge (SDC) credits, which developers can count against the SDC fees they owe at the time of building permit issuance.

In a city-initiated reimbursement district, the City would build and pay for the entire facility upfront. The developer (non-oversized) portion would then be charged back to developers via a reimbursement district.

In either case, the upfront capital that pays for reimbursement district improvements must be advanced by developers (from private sources) or the City (from the CIP fund, general fund, or other source), without a secure form of repayment. Therefore, there is financial risk to the party that initiates the district and developers may avoid initiating large-scale reimbursement districts. If development is slower than expected, the developer or City will have to carry the cost of debt service payments for a longer period of time. Fee revenue will also be lower if the amount of development is less than expected (for example, if a property owner is permitted to build 100 homes but only chooses to build 50). However, this particular issue could be addressed by different methodologies, including calculating costs on a per acre basis.

Local Improvement Districts

An LID is similar to a reimbursement district in that the cost of infrastructure that benefits multiple property owners is divided among those property owners in an equitable manner, and paid by an assessment. Like reimbursement districts, LIDs may be initiated by property owners or the City. One or more LIDs could be used in RA-W and RA-E, in conjunction with or in place of reimbursement districts.

LIDs differ from reimbursement districts in the following important ways:

- Typically, a majority (50% plus one) of property owners (weighted by the amount of area they own) must sign a petition in support of initiating the district. (The establishment of a reimbursement district is a discretionary decision made by the city council.) Naturally, this requires the support of property owners, and outreach and discussion among property owners may require considerable time.
- Assessments may be paid in a lump sum or financed over time at the property owner's discretion. Assessments are due upon allocation of costs. As noted above, fees are typically due later in a reimbursement district, when property owners seek public works permits.
- The LID creates a lien against each individual's property until all assessments are paid in full. This is seen as a negative by lenders, whose strong preference is that there be no other claims on the property on which they are making a loan, and often by property owners. This is a positive since the lien creates a secure income stream against which the City can issue bond debt. Whether an LID is initiated by property owners or the City, LID debt is always issued by a government agency, and thus takes advantage of low interest rates.

Thus, LIDs are a financing mechanism that can create capital for construction. By contrast, the capital for a reimbursement district must be advanced by the City (from the City's various infrastructure-related funds and may or may not include issuance of City debt) or developers (from private sources).

Additional details regarding LIDs can be found in Oregon Revised Statutes (ORS) Chapter 223: Local Improvements and Works.

Other Approaches to Framework Infrastructure

In addition to the reimbursement district and LID funding tools described above, the following tools help with the funding of framework infrastructure in the two reimbursement areas:

- *Supplemental SDC.* The City could establish an additional, supplemental SDC specific to Frog Pond. Functionally, this would be similar to a reimbursement district that covered all of the major framework costs associated with the entire RA-W or RA-E—a new fee would be put in place to help pay for these costs.
- *Expansion of the types of facilities that are considered SDC creditable by the City.* For example, certain park improvements could be considered SDC creditable, which would provide an extra incentive for developers to make those improvements. Such an approach was taken in Villebois, where certain park improvements were creditable. This could reduce SDC receipts which would be used to help fund CIP projects elsewhere.
- *Direct CIP investments.* As described elsewhere, the City could potentially fund additional projects or portions of projects, such as the Boeckman or Stafford Road upgrades, through the CIP. An analysis of each infrastructure component may be appropriate to determine if doing so would require deferring or reprioritizing other projects already on the list.

OTHER FUNDING SOURCES

In a small number of cases, there are additional funding sources that are expected to supplement those described above. These additional funding sources are:

- *West Linn - Wilsonville School District.* Two schools will be built within Frog Pond, and the school district is anticipated to pay for some infrastructure needed to serve these schools, such as improvements to Advance Road, Boeckman-Stafford traffic signal, South Neighborhood Collector roads, 12" water main extension, and a pump station and force main. It is important to note that what infrastructure the District will build is subject to the school project's plans and phasing, and the City's review of impacts—all of which are in the pre-application stages. All citations of costs and revenues related to the schools are preliminary and subject to change.
- *Clackamas County.* The County has identified the Stafford Road—65th Avenue Improvements in the agency's transportation system plan. While this project is not likely to be built in the short or medium term (before 10 years), it is included in the list of relevant (off-site) projects in this strategy, and this strategy assumes that the County will take a major role in funding and building the project, with some participation from the City. The cost estimate used in this plan was developed by the County.
- *Urban Renewal.* No City of Wilsonville urban renewal funding for Frog Pond has been assumed as a part of this funding strategy. Conversations with City staff indicate that the City's urban renewal task force has identified investments elsewhere in the City that are likely to be higher priorities.
- *Grants and investments by other government agencies.* Grants are a potential funding source. However, no specific grants have yet been identified that the planning team believes will provide significant infrastructure funding for Frog Pond. Metro's Metropolitan Transportation Improvement Program (MTIP) is one such grant program, which guides how a range of federal and local transportation funds are invested in the region. MTIP funds could be used for major projects associated with Frog Pond, such as the Boeckman Road Bridge, but the collective judgment of City staff and the planning team is that it will be difficult to secure such funds since demand for MTIP funds typically outstrips availability. Nonetheless, it may be worthwhile for project stakeholders to continue to pursue grants and investments by other government agencies.

LIST OF FROG POND INFRASTRUCTURE PROJECTS

Tables 1 through 3 below contain a list of all the infrastructure projects associated with Frog Pond. Projects are grouped by type—transportation, sanitary sewer, water, stormwater, and parks—and then by category—local, framework, and major off-sites.

The “Funding Approach and Notes” column describes LCG’s recommended approach to funding each project, which has been developed in collaboration with the City’s Community Development and Public Works staff and APG team. Much of the information in this column is a recap of the Infrastructure Categories section above. An important premise is that the funding strategy for area within the UGB (the West Neighborhood, Schools, and community park) must stand on its own. The timing of development of the urban reserve areas is too uncertain to rely on for funding of projects that are needed for development of the area within the UGB.

The “Estimates” column shows who produced the cost estimate; in some cases, two cost estimates were completed. The costs columns show what entity or fund is expected to pay for the project.

Total estimated developer costs for RA-W and RA-E are highlighted in yellow at the bottom of Table 3.

Table 1. Frog Pond Infrastructure Cost Summary - Transportation

Project Category and Name		Who Builds?	Timing Facility Built with:	Funding Approach and Notes	Estimates by		Total Cost Est	City Costs		Developer Costs			Other Costs		City Cost Attributable to FP
					Est 1	Est 2		CIP or Other Fund	SDC Credits	Collectors Locals	RA West (RA-W)	RA East (RA-E)	Amount	Source	
Transportation															
Local	West Neighborhood Collectors	Developer	West	Developers build and receive SDC credits for oversize (generally, roadway > 24' or 48', and bike lanes).	DKS	City	\$9,510,000		\$1,585,000	\$7,925,000					\$0
	East Neighborhood Collectors	Developer	East		DKS	City	\$8,160,000		\$1,360,000	\$6,800,000					\$0
	South Neighborhood Collectors	Developer	South	As above; school also pays for proportionate share.	DKS	City	\$3,900,000		\$450,000	\$2,650,000			\$800,000	School D.	\$0
	Local roads	Developer	Varies	Developers build. No city costs, so costs are not included here.		City	-								-
Framework	Boeckman Road Urban Upgrade UU-02 (Part 1)	City	West	City builds. South side is city responsibility, north side is developers responsibility and is charged to RDW.	DKS		\$3,700,000	\$1,850,000			\$1,850,000				\$1,850,000
	Boeckman/Stafford Traffic Signal UU-02 (Part 2)	City	West	City builds, charges proportionate shares to RDW, RDE, and school district; city pays for remainder of project via CIP. This could be a gateway treatment than a roundabout.	DKS		\$500,000				\$70,000	\$305,000	\$125,000	School D.	\$0
	Stafford Road Urban Upgrade UU-06 Phase 1	City	West	City builds with West Neighborhood; places reimbursement district on RDW, City (CIP) pays for 14' of 38'.	DKS		\$3,000,000	\$1,000,000			\$2,000,000				\$1,000,000
	Advance Road Urban Upgrade UU-P1 Phase 1A and 1B	City	School	Phase 1A and 1B is the facilities on the south side of Advance that are west of 60th. City builds, school district pays pro rata share.	DKS		\$1,087,500	\$543,750					\$543,750	School D.	\$0
	Stafford Road Urban Upgrade UU-06 Phase 2	City	East	City builds with East Neighborhood, places reimbursement district on RDE, developers pays for all additional roadway.	DKS	City	\$2,000,000					\$2,000,000			\$0
	Potential Single-Lane Roundabout or Gateway Treatment on Stafford Road	City	East	Project is only built when E neighborhood develops. City builds, charges proportionate share to RDE. This could be more of a gateway treatment than a roundabout.	DKS		\$600,000	\$600,000							\$0
	Advance Road Urban Upgrade UU-P1 Phase 2	City	East	Phase 2 is the facilities on the north side of Advance, and all facilities (north and south) east of 60th. City builds, pays for portion outside of FP (south side), charges developer costs to RDE.	DKS		\$3,262,500	\$543,750				\$2,718,750			\$0
Major Off Site	Boeckman Road Bridge Improvements UU-01	City	TBD	City builds via CIP. This project is of citywide importance and addresses safety issues.	OBEC		\$12,200,000	\$12,200,000							\$4,270,000
	Stafford Rd./65th Ave Improvements SI-03	County	TBD	Future project; not directly associated with FP. 10% attributable to FP.	County		\$5,500,000	\$1,000,000		\$0			\$4,500,000	County	\$100,000
Subtotal							\$53,420,000	\$17,737,500	\$3,395,000	\$17,375,000	\$3,920,000	\$5,023,750	\$5,968,750		\$8,907,500

Source for all subsequent tables and figures: Leland Consulting Group, based on cost estimates provided by DKS, MSA, and City of Wilsonville.
All figures and funding strategies are preliminary and subject to change.

Table 2. Frog Pond Infrastructure Cost Summary – Sanitary Sewer and Water

Project Category and Name		Who Builds?	Timing Facility Built with:	Funding Approach and Notes	Estimates by		Total Cost Est	City Costs			Developer Costs			Other Costs		City Cost Attributable to FP
					Est 1	Est 2		CIP or Other Fund	SDC Credits	Collectors Locals	RA West (RA-W)	RA East (RA-E)	Amount	Source		
Sanitary Sewer																\$0
Local	Major Sanitary Lines: West	Developer	West	Developers build, receive SDC credits for oversized components (>8")	MSA	City	\$1,370,000		\$80,000	\$1,290,000						\$0
	Major Sanitary Lines: East	Developer	East		MSA	City	\$630,000		\$40,000	\$590,000						\$0
	Major Sanitary Lines: South	Developer	South		MSA	City	\$660,000		\$35,000	\$625,000						\$0
	Local SS (8" and smaller)	Developer	Varies	Developers build. No city costs, so costs are not included here.	MSA	City	-									-
Framework	Boeckman Road SS	City	West	City builds as part of road rebuild, charges developer (non-oversize) portion to RDW.	MSA		\$680,000	\$120,000			\$560,000					\$120,000
	Stafford Road SS	City	West	City builds with Stafford Road Phase 1, charges developer (non-oversize) costs to RDW and RDE. Rough proportionality of 1/3 demand in West, and 2/3 in East assumed here.	MSA		\$640,000	\$50,000			\$196,667	\$393,333				\$50,000
	Advance Road SS	City	School	City builds, charges developer (non-oversize) portion to RDE. This project only extends to 60th Ave; SS to the east is not oversized.	MSA		\$780,000	\$40,000				\$740,000				\$40,000
	Pump station and force main	School	School	School builds, serves school properties.	MSA		\$1,290,000						\$1,290,000	School D.		\$0
Major Off Site	Boeckman Trunk Sewer	City	East	Major off site project, paid by City via CIP. 52% attributable to FP. Likely does not need to be built for the West Neighborhood, Schools, and Parks alone; can be built with East and South Neighborhoods.	MSA		\$8,000,000	\$8,000,000		\$0						\$4,160,000
	Memorial Park Pump Station	City	West	Major off site project, paid by City via CIP. 48% attributable to FP; however project is not growth related per se; it is in the flood plain and should be upgraded. Does not need to be in place until 40% of West Neighborhood and School is in place.	MSA		\$5,200,000	\$5,200,000		\$0						\$2,496,000
	Subtotal						\$19,250,000	\$13,410,000	\$155,000	\$2,505,000	\$756,667	\$1,133,333	\$1,290,000			\$6,866,000
Water																\$0
Local	Major Water Lines: West	Developer	West	Developers build, receive SDC credits for oversized components (>8" pipe size).	MSA	City	\$2,580,000		\$460,000	\$2,120,000						\$0
	Major Water Lines: East		East		MSA	City	\$2,580,000		\$470,000	\$2,110,000						\$0
	Major Water Lines: South		South		MSA	City	\$1,860,000		\$330,000	\$1,530,000						\$0
	Local Water (8" and smaller)	Developer	Varies	Developers build. No city costs, so not included here.	MSA	City	\$0									\$0
Framework	Boeckman Road W	City	NA	NA. Water line in Boeckman already exists.	MSA		\$0									\$0
	Stafford Road W	City	West	Same as Stafford SS. City builds with Stafford Road Phase 1, charges developer (non-oversize) costs to RDW and RDE. Rough proportionality of 1/3 demand in West, and 2/3 in East assumed here.	MSA		\$1,080,000	\$200,000			\$293,333	\$586,667				\$200,000
	Advance Road W	Shared	School	City builds, charges developer (non-oversize) portion to RDE.	MSA		\$890,000	\$160,000				\$730,000				\$160,000
Major Off Site	West Side Reservoir	City	West	Major off site project, paid by City via CIP. 25% attributable to FP.	MSA		\$5,800,000	\$5,800,000								\$1,450,000
	Subtotal						\$14,790,000	\$6,160,000	\$1,260,000	\$5,760,000	\$293,333	\$1,316,667	\$0			\$1,810,000

Source for all subsequent tables and figures: Leland Consulting Group, based on cost estimates provided by DKS, MSA, and City of Wilsonville. All figures and funding strategies are preliminary and subject to change.

Table 3. Frog Pond Infrastructure Cost Summary – Stormwater and Parks

Project Category and Name	Who Builds?	Timing Facility Built with:	Funding Approach and Notes	Estimates by		Total Cost Est	City Costs			Developer Costs			Other Costs		City Cost Attributable to FP
				Est. 1	Est. 2		CIP or Other Fund	SDC Credits	Collectors Locals	RA West (RA-W)	RA East (RA-E)	Amount	Source		
Stormwater															\$0
Local	Local storm detention, on development sites.	Developer	Varies	Developers build. No city costs, so not included here.	MSA	City	\$0			\$0					\$0
Major	Boeckman Road regional stormwater facility	NA	NA	Included in DKS' roadway cost estimates	MSA	DKS	\$0								\$0
Framework	Stafford Road regional stormwater facility	NA	NA	"	MSA	DKS	\$0								\$0
	Subtotal						\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Parks															\$0
Local	Frog Pond Neighborhood Park, P16, West	City	West	City acquires land, pays for construction, charges cost to RDW. Cost estimates include land and construction costs.	City		\$3,375,900				\$3,375,900				\$0
	Frog Pond Neighborhood Park, P17, West	City	West	As above. Linear park with fewer built amenities, adjacent or connected to the Boeckman Creek Trail.	City		\$2,286,900				\$2,286,900				\$0
	Frog Pond East Neighborhood Park	City	East	As above, city charges cost to RDE.	City		\$3,375,900				\$3,375,900				\$0
	Boeckman Creek Trail, RT-01A	City	West	Developer builds, receives City share (2/3) from either SDC credits (assumed here) or CIP.	DKS		\$850,000		\$570,000	\$280,000					\$0
	South Neighborhood Trail	City	East		DKS		\$700,000		\$460,000	\$240,000					\$0
	BPA Easement Trail	City	East	City builds since trail is in BPA right of way, charges developer portion (1/3) to RDE.	DKS		\$670,000	\$450,000				\$220,000			\$450,000
	LT-P5 New School Site Trail	City	School	School builds and pays for this trail.	DKS		\$700,000						\$700,000	School D.	\$0
Framework	Advance Rd. School Community Park, P18	City	West	Major project, paid via City CIP. 25% attributable to FP.	City		\$5,410,000	\$5,410,000							\$1,352,500
	Subtotal						\$17,368,700	\$5,860,000	\$1,030,000	\$520,000	\$5,662,800	\$3,595,900	\$700,000		\$1,802,500
Total Costs							\$104,828,700	\$43,167,500	\$5,840,000	\$26,160,000	\$10,632,800	\$11,069,650	\$7,958,750		\$19,386,000

Source for all subsequent tables and figures: Leland Consulting Group, based on cost estimates provided by DKS, MSA, and City of Wilsonville.
All figures and funding strategies are preliminary and subject to change.

CIP COSTS AND REVENUES

This section compares estimates of the System Development Charge (SDC) revenues that would be generated by development in Frog Pond, with the Capital Improvement Projects (CIP) costs associated with Frog Pond, in order to estimate a funding surplus or gap for the City.

Since the primary revenue source for Capital Improvements Projects is SDCs—paid when building permits are obtained—these estimates depend in part on the land use density option selected. The estimates also depend on whether we consider the entire Frog Pond Area, or just the West Neighborhood. Note that in cases where current SDCs do not meet CIP needs, SDCs can be increased, or supplemental SDCs or reimbursement fees can be assigned to particular areas.

Table 4 below shows the two most recent land use options prepared by Angelo Planning Group, Options D and E. Option D is the working draft Concept Plan that was shared at the recent Open House. Option E is a lower density option that has been prepared for Planning Commission review. The primary difference in the two options, from an infrastructure funding point of view, is the amount of single family housing—Option D has approximately 21 percent more dwelling units, and therefore, significantly more SDC revenue.

Table 4. Land Use Options D and E

	D	E	
Frog Pond - All Neighborhoods			
Single Family (units)	2,078	1,716	dus
Multifamily (units)	-	-	dus
Commercial Area (sf)	69,150	69,150	SF
Elementary School (sf)	67,000	67,000	SF
Middle School (sf)	92,500	92,500	SF
Community Parks	10.0	10.0	acres
Neighborhood Parks	7.5	7.5	acres
West Neighborhood	754	625	dus
South and East Neighborhoods	1,324	1,091	dus

Source: Angelo Planning Group, Leland Consulting Group

Table 5 shows the current SDC fees paid by one single family home in Wilsonville, as well as the SDC revenues projected for Frog Pond under both land use options. Total SDC revenues are \$56.0 and \$47.3 million for Options D and E respectively.

Table 5. SDC Revenues - Options D and E

Plan and Area	Transp.	Sewer	Water	Storm	Parks	Total
Single Family Home	\$7,381	\$4,647	\$5,300	\$1,458	\$5,150	\$23,936
Option D						
West Neighborhood	\$5,568,594	\$3,503,838	\$4,079,178	\$1,129,280	\$3,883,100	\$18,163,990
East & South Neighborhoods	\$13,766,649	\$6,701,320	\$7,542,193	\$2,357,992	\$6,910,522	\$37,278,676
Total	\$19,335,243	\$10,205,158	\$11,621,371	\$3,487,272	\$10,793,622	\$55,442,665
Option E						
West Neighborhood	\$4,616,445	\$2,904,375	\$3,395,478	\$941,198	\$3,218,750	\$15,076,246
East & South Neighborhoods	\$12,046,876	\$5,618,569	\$6,307,293	\$2,018,278	\$5,710,572	\$31,701,588
Total	\$16,663,321	\$8,522,944	\$9,702,771	\$2,959,476	\$8,929,322	\$46,777,833

Source: City of Wilsonville, Leland Consulting Group

Note that not all SDC revenue comes from single family home development. About 10 percent of the total revenue comes from other types of development, including commercial and schools.

Tables 6 through 9 below compare SDC revenue (from Table 5) to the City’s CIP costs (see “City Cost Attributable to FP” column at far right of infrastructure cost summary tables).

Note that not all City costs are considered to be attributable to Frog Pond. Rather, a percentage of the demand for *major off site* projects has been allocated to Frog Pond; notes are shown in the Funding Approach and Notes column of the infrastructure cost summary tables. For example, as mentioned above, only 25 percent of the West Side Reservoir is estimated to be attributable to new demand from Frog Pond, and thus, only 25 percent of the cost has been attributed to Frog Pond. Other examples include: 52 percent of the flow managed by the Boeckman Trunk Sewer, and 48 percent of the flow managed by the Memorial Park Pump Station, is attributable to Frog Pond, per MSA’s analysis. The City has estimated that 35 percent of the PM peak hour traffic on the Boeckman Road Bridge is attributable to Frog Pond.

100 percent of the City’s CIP costs associated with Framework and local infrastructure is considered to be attributable to Frog Pond, since this infrastructure likely would not be built if the area were not developed.

**Attachment 4
Area Plan Infrastructure Funding Plan (for reference)**

Item 5.

Tables 6 and 7 show that, when the entire Frog Pond area (all three neighborhoods) is taken into account, there is a funding surplus in each of the infrastructure types. Note that this funding surplus will be directed to the CIP, and thereby to other projects of citywide importance from which Frog Pond residents and businesses will benefit.

Table 6. Revenues and Costs – Option D, All Neighborhoods

	Transportation	Sewer	Water	Stormwater	Parks	Total
Sources						
SDCs Generated within FP Area	\$19,335,243	\$10,205,158	\$11,621,371	\$3,487,272	\$10,793,622	\$55,442,665
- SDCs credited to developers	\$3,395,000	\$155,000	\$1,260,000	\$0	\$1,030,000	\$5,840,000
Net Sources	\$15,940,243	\$10,050,158	\$10,361,371	\$3,487,272	\$9,763,622	\$49,602,665
Uses (CIP Costs Attributable to Frog Pond)	\$8,907,500	\$6,866,000	\$1,810,000	\$0	\$1,802,500	\$19,386,000
Funding Surplus or (Gap)	\$7,032,743	\$3,184,158	\$8,551,371	\$3,487,272	\$7,961,122	\$30,216,665

Source: City of Wilsonville, Leland Consulting Group

Table 7. Revenues and Costs – Option E, All Neighborhoods

	Transportation	Sewer	Water	Stormwater	Parks	Total
Sources						
SDCs Generated within FP Area	\$16,663,321	\$8,522,944	\$9,702,771	\$2,959,476	\$8,929,322	\$46,777,833
- SDCs credited to developers	\$3,395,000	\$155,000	\$1,260,000	\$0	\$1,030,000	\$5,840,000
Net Sources	\$13,268,321	\$8,367,944	\$8,442,771	\$2,959,476	\$7,899,322	\$40,937,833
Uses (CIP Costs Attributable to Frog Pond)	\$8,907,500	\$6,866,000	\$1,810,000	\$0	\$1,802,500	\$19,386,000
Funding Surplus or (Gap)	\$4,360,821	\$1,501,944	\$6,632,771	\$2,959,476	\$6,096,822	\$21,551,833

Source: City of Wilsonville, Leland Consulting Group

Tables 8 and 9 show that, when just the West Neighborhood is considered, there is a funding surplus in most of the infrastructure types. The exception is transportation, in which there is a \$1 million gap for Option D, and a \$1.95 million gap for Option E due to CIP contributions to the Boeckman Road Bridge, and Boeckman and Stafford Road Urban Upgrade projects (\$4.95 million in Frog Pond West attributable costs). There are funding surpluses, sometimes slight, in the other infrastructure categories.

The sanitary sewer infrastructure surplus is very small—just under \$160,000 for Option E. This is because the Memorial Park Pump Station and framework sewer lines in Boeckman and Stafford Roads (\$2.66 million in Frog Pond West attributable costs) would need to be built along with the West Neighborhood.

Table 8. Revenues and Costs – Option D, West Neighborhood

	Transportation	Sewer	Water	Stormwater	Parks	Total
Sources						
SDCs Generated within FP Area	\$5,568,594	\$3,503,838	\$4,079,178	\$1,129,280	\$3,883,100	\$18,163,990
- SDCs credited to developers	\$1,585,000	\$80,000	\$460,000	\$0	\$570,000	\$2,695,000
Net Sources	\$3,983,594	\$3,423,838	\$3,619,178	\$1,129,280	\$3,313,100	\$15,468,990
Uses (CIP Costs Attributable to Frog Pond)	\$4,985,000	\$2,666,000	\$1,650,000	\$0	\$1,352,500	\$10,653,500
Funding Surplus or (Gap)	(\$1,001,406)	\$757,838	\$1,969,178	\$1,129,280	\$1,960,600	\$4,815,490

Table 9. Revenues and Costs – Option E, West Neighborhood

	Transportation	Sewer	Water	Stormwater	Parks	Total
Sources						
SDCs Generated within FP Area	\$4,616,445	\$2,904,375	\$3,395,478	\$941,198	\$3,218,750	\$15,076,246
- SDCs credited to developers	\$1,585,000	\$80,000	\$460,000	\$0	\$570,000	\$2,695,000
Net Sources	\$3,031,445	\$2,824,375	\$2,935,478	\$941,198	\$2,648,750	\$12,381,246
Uses (CIP Costs Attributable to Frog Pond)	\$4,985,000	\$2,666,000	\$1,650,000	\$0	\$1,352,500	\$10,653,500
Funding Surplus or (Gap)	(\$1,953,555)	\$158,375	\$1,285,478	\$941,198	\$1,296,250	\$1,727,746

REIMBURSEMENT DISTRICT COST ALLOCATION

An important issue for developers considering building in Frog Pond is the allocated cost of the reimbursement districts that they will need to pay in addition to SDCs and the other costs associated with land development. Developers must pay for infrastructure costs somehow, and developers' likely responses to higher-than-typical infrastructure costs will be to try to negotiate a lower cost for land, pass higher costs on through a higher home sale price (if possible), or look for other places where they can find buildable residential land. The impact of infrastructure costs on development feasibility is further explored in the Frog Pond Land Development Financial Analysis memorandum.

Table 10 shows the total cost of projects proposed to be paid for by RA-W and RA-E, and the "residential allocation." These figures come from the last row in Table 3. For RA-W, all costs paid for by the district are allocated to residential development. In RA-E, some costs (about 10 percent) are paid by commercial development, schools, and parks. The cost per unit is significantly higher in the West than East, since a smaller residential cost allocation is divided among many more units.

The reimbursement district cost per dwelling unit varies depending on the land use option. Because there are more housing units in Option D, the cost of all infrastructure projects is divided among more units, and the "cost allocation per unit" is lower. This allocation is the approximate reimbursement fee that a developer would have to pay for each housing unit.

Table 10. Reimbursement District Costs

	RA West	RA East
Cost of Projects Paid for by RD	\$10,632,800	\$11,069,650
- Commercial and School Allocation	\$0	\$1,138,789
= Residential Allocation	\$10,632,800	\$9,930,861
Option D		
Dwelling Units	754	1,324
RD Cost Allocation per Unit	\$14,102	\$7,501
Option E		
Dwelling Units	625	1,091
RD Cost Allocation per Unit	\$17,012	\$9,103

APPENDICES AND INFORMATION SOURCES

The following source documents were used in the preparation of this memorandum and are cited throughout when appropriate:

- Frog Pond Area Plan web site: <http://www.ci.wilsonville.or.us/628/Frog-Pond-Area-Plan>
- City of Wilsonville Capital Improvement Projects program, <http://www.ci.wilsonville.or.us/150/Capital-Projects>
- City of Wilsonville City Code, Section 3.116 Reimbursement for Extensions of Streets, Water, Storm Drainage and Sewer Lines or Other Utility Services. <http://www.ci.wilsonville.or.us/DocumentCenter/View/34>
- Adopted Budget, FY 2013-14, Capital Improvement Projects (CIP) section, pages 165 – 218.
- *Transportation Infrastructure – Street Credits/Reimbursements*, Steve R. Adams, P.E., Development Engineering Manager, City of Wilsonville, September 5, 2014.
- *Frog Pond Area Plan – Concept Plan Infrastructure Analysis*, Murray, Smith & Associates, Inc., March 18, 2015.
- *Wilsonville Transportation System Plan (TSP)*, adopted June 17, 2013.
- *Wilsonville Parks & Recreation Master Plan*, adopted September 17, 2007.
- *Market Analysis*, Frog Pond Area Plan, Leland Consulting Group, August 2014.
- Land use plans, Angelo Planning Group.
- Discussions with City staff and Frog Pond consultant team members regarding required infrastructure and associated costs.

APPENDIX D - INFRASTRUCTURE FUNDING PLAN

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Frog Pond West: Infrastructure Funding Plan

Date July 19, 2017
To Chris Neamtzu, City of Wilsonville
From Andy Parks, GEL Oregon
Brian Vanneman, Leland Consulting Group
Joe Dills, Angelo Planning Group



Introduction

The City of Wilsonville has engaged GEL Oregon, Leland Consulting Group, and Angelo Planning Group to prepare an infrastructure funding plan for the Frog Pond West Master Plan (“Master Plan”). The purposes of the Frog Pond West Infrastructure Funding Plan (“Funding Plan”) are to:

- Describe strategies and options that provide adequate funding to complete infrastructure (transportation, water, sewer, parks, and storm water) requirements identified in the Master Plan in a timely manner;
- Increase confidence for all parties regarding the projects, costs, resources, and timing required to make Frog Pond West a success;
- Provide flexibility by identifying both primary strategies and tools for funding, as well as additional alternatives, tools, and approaches that could be implemented over time; and
- Provide an equitable distribution throughout Frog Pond West of the costs and benefits of Master Plan infrastructure.

This plan is based on analysis of funding options and discussions with developers and property owners, and is intended to be adopted as part of the final Frog Pond West Master Plan.

Project Summary

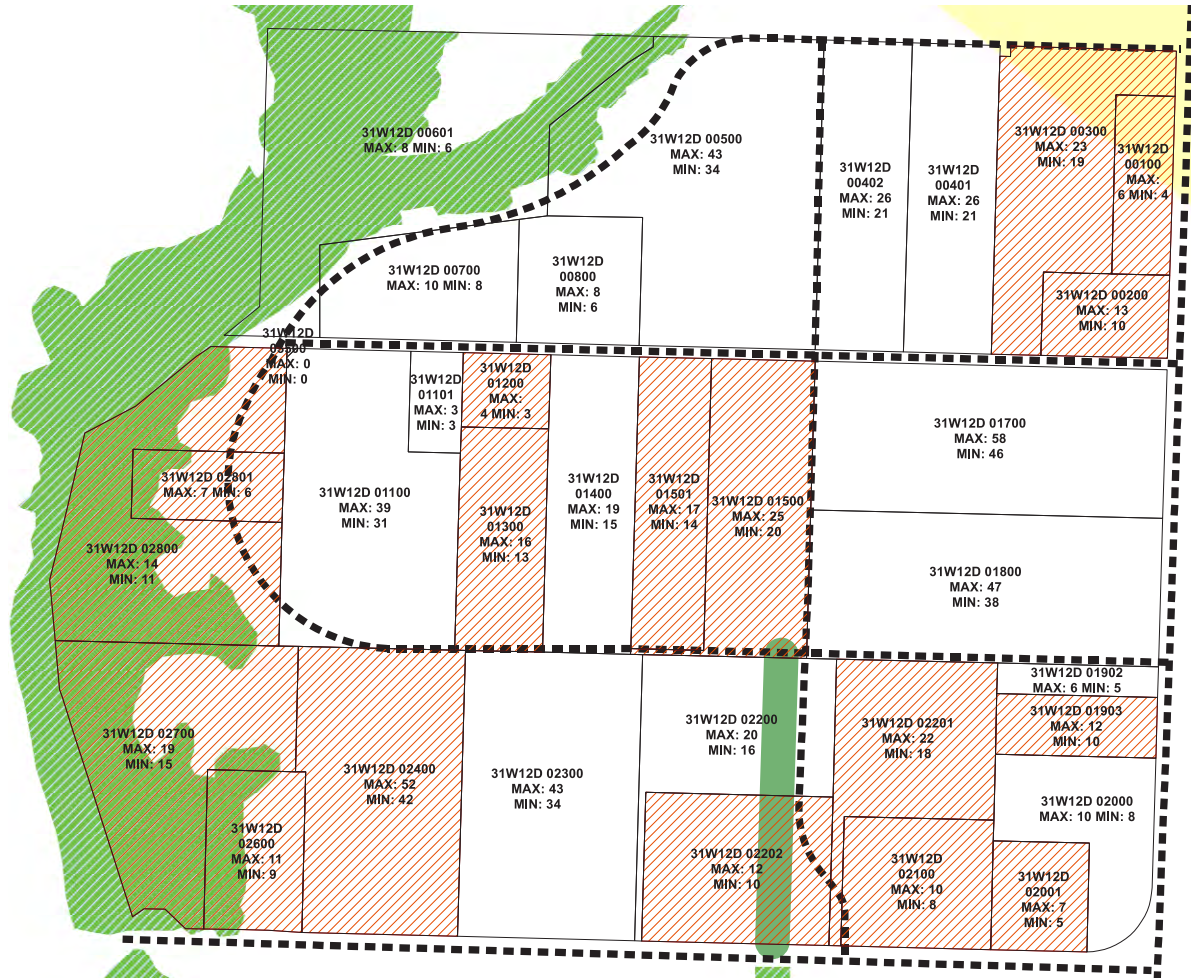
The Frog Pond West planning area, shown in Figure 1 below, is approximately 180 acres in total, with approximately 150 acres outside of the natural resource areas shown in green. The Master Plan area includes the following general attributes, which influence this funding plan:

- 571 housing lots would be allowed to be built under the Master Plan.
- The site is currently outside the city limits, but within the Urban Growth Boundary.
- 26 different property owners (as of 2015) control properties that vary widely in size. The largest single ownership is 25 acres (school district) and the smallest is 0.9 acres.
- The School District owns 25 acres, including a 10-acre future school site adjacent to Boeckman Road, a 5-acre land banked site adjacent to the future school site, and a 10-acre land banked site adjacent to Stafford Road.¹
- Owners of the parcels highlighted in Figure 1 have shown an interest in development. Property owner intent to develop has been taken into account in this Funding Plan since it is likely to drive the location and pace of development and the locations where infrastructure will be needed first.

¹ In this Funding Plan, a portion of the 5-acre land banked site is assumed to be used for a future neighborhood park and the 10-acre land banked site is assumed for future residential development. These assumptions are subject to change based on future decisions by the West Linn-Wilsonville School District and the City of Wilsonville.

Figure 1. Frog Pond West

This map shows the maximum and minimum number of housing units that can be built on each property, pursuant to the Frog Pond West Master Plan. Properties shaded in orange indicate that owners have contacted the City to express an interest in development.



Infrastructure Summary

For purposes of this Funding Plan, the infrastructure necessary to serve Frog Pond West has been put into three different categories, shown below. The emphasis of this Funding Plan is to identify strategies and tools appropriate to fund “Master Plan” infrastructure (the third bullet point below); the strategies and tools necessary to fund the other infrastructure categories are adequately addressed through the City’s existing methods.

- **Off-site Infrastructure** includes large projects that serve the broader community, are funded through Systems Development Charges (SDCs) generated by development throughout the City and through other City resources, and are generally located outside of the 180-acre boundary of Frog Pond West. Examples include:
 - Memorial Park pump station
 - Boeckman Creek sanitary sewer trunk line
 - West side water reservoir (funding pending)
 - Boeckman Bridge (the potential Frog Pond West contribution is summarized below)

- **On-site Infrastructure** includes local projects which serve individual properties. The costs of these projects are funded by individual developers. Examples include:
 - Local streets and sidewalks
 - Sanitary sewer lines
 - Water lines
 - Stormwater management
- **Master Plan Infrastructure** is the focus of this Funding Plan. Master Plan infrastructure differs from the above because it typically:
 - Crosses multiple property ownerships
 - May be too large and expensive for any single developer to complete
 - May have geographically concentrated costs (e.g. a park on a single property), but benefits all of Frog Pond West
 - May be adjacent to or within Frog Pond West development parcels

As stated, the focus of this Funding Plan is to identify the Master Plan infrastructure projects and to provide strategies and options for funding those Master Plan infrastructure projects that currently do not have any identified funding source or are not fully funded.

Master Plan Projects

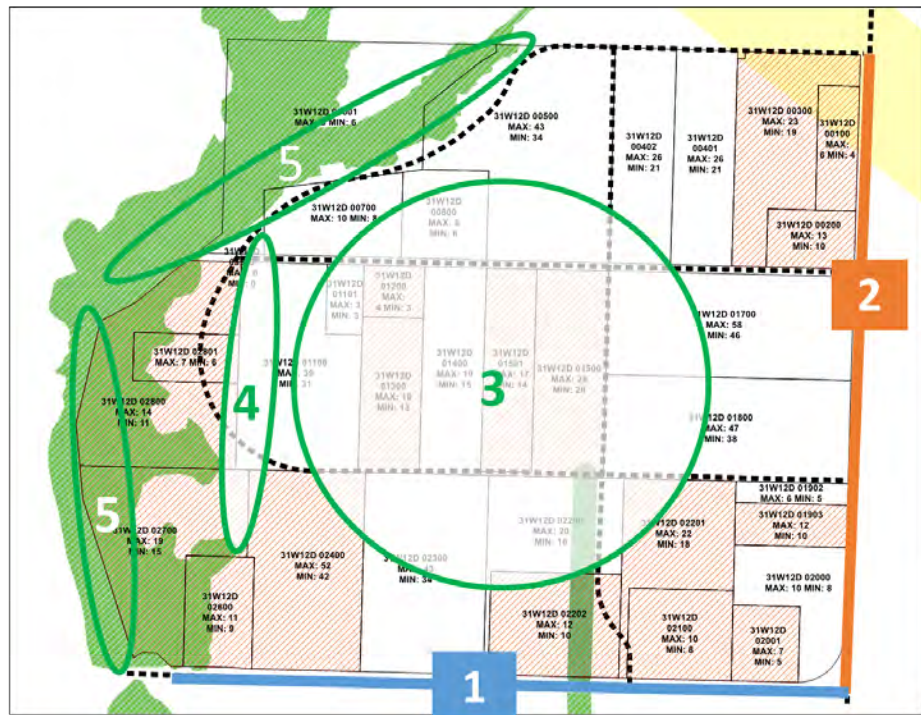
This Funding Plan focuses on funding strategies for the following five key Master Plan projects, which are conceptually represented in the adjacent figure:

1. Boeckman Road, including sanitary sewer
2. Stafford Road, including sanitary sewer and water
3. Neighborhood Park
4. Trailhead Park
5. Boeckman Trail

In addition, this Funding Plan specifically addresses one off-site infrastructure facility, due to its location adjacent to Frog Pond West:

- Boeckman Bridge

Figure 2. Map of Master Plan Projects



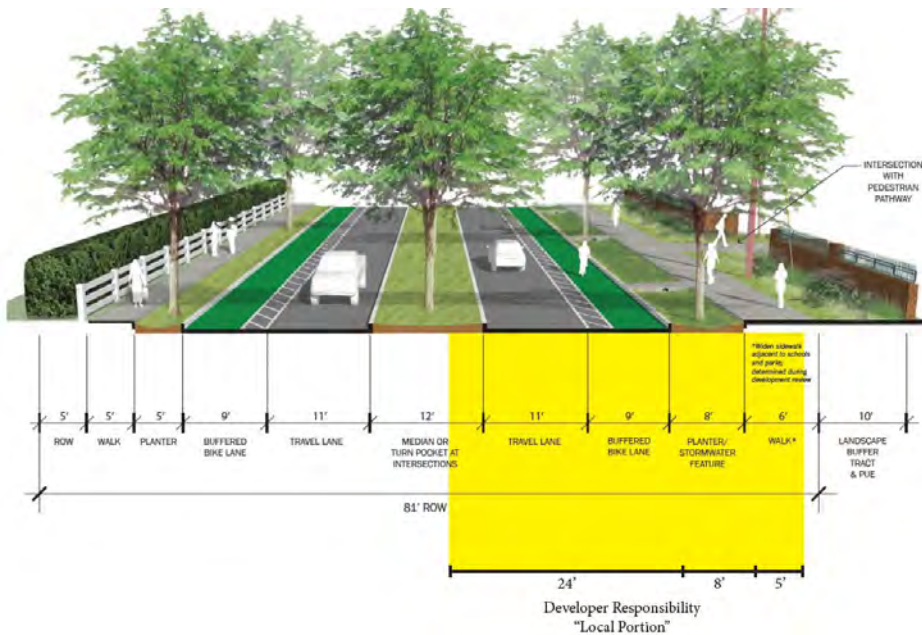
Current City Policy

This Funding Plan uses the City’s existing policy and practices as a starting point, summarized below:

- Developers pay for the “local portion” of infrastructure required to serve their developments. For example, the local portion of Boeckman Road is shown below in Figure 3 as the yellow highlighted portion of the road. Typically, this is the first 24 feet of roadway from face of curb, plus planter strips and sidewalks, and including the pavement and road base associated with the local street standard, and water and sewer lines up to 8” in size.
- Developers also pay for the “oversize portion” (infrastructure that exceeds the minimum required), and then receive credits against SDCs due (“SDC credits”).
- Where necessary, the City may pay for infrastructure elements that are:
 - Identified by existing adopted citywide infrastructure master plans (e.g. the Transportation System Plan or Parks and Recreation Master Plan) and included in the City’s five-year Capital Improvement Program (CIP); and
 - Abutting already-developed areas (e.g. the component of Boeckman Road that fronts the Arbor Crossing neighborhood to the south) and therefore not the responsibility of Frog Pond developers.
- The City may implement a variety of tools to facilitate and coordinate infrastructure delivery including SDCs and SDC credits, a supplemental fee, reimbursement districts/agreements, Local Improvement Districts (LIDs), development agreements, etc.

In addition to SDCs and SDC credits, a supplemental fee is the primary funding tool recommended for Frog Pond West and is described further below.

Figure 3. Boeckman Road, including developer responsibility/local portion



Note: Roadway may include other “oversize” elements that are not shown (e.g. additional structural section).

Infrastructure Cost Allocation-Current City Policy

The total cost of the five Master Plan infrastructure projects and the Boeckman Bridge is allocated to different parties under *current* City policy as follows. Recommendations for how these current policies should be adjusted to fit specific conditions in Frog Pond begin on page 6.

1. Boeckman Road (including sanitary sewer)
 - a. Southern Portion of Boeckman Road
 - i. The City will pay for the construction of the southern portion of Boeckman Road, which is identified in the City’s Transportation System Plan (TSP) as a “higher priority project.”
 - b. Northern Portion of Boeckman Road
 - i. Current City policy states developers along Boeckman Road are responsible to develop their “local portion” of Boeckman Road (see Figure 3 above). Since most of the relevant Boeckman Road frontage and in-street utilities serve Frog Pond West, developing the “local portion” of the north side of Boeckman Road is the responsibility of the adjacent developers.
 - ii. Also under current City policy, developers may receive SDC credits for constructing the remainder of the north side of Boeckman Road, which exceeds the “local portion” of the road.
 - iii. Any oversizing of sanitary sewers installed by the developers along the northern portion of Boeckman Road is also subject to SDC credits.
 - c. Alternative strategies for funding Boeckman Road are outlined on page 6.
2. Stafford Road (including sanitary sewer and water)
 - a. Western Portion of Stafford Road
 - i. As with the northern portion of Boeckman Road, developers in Frog Pond West developing adjacent to Stafford Road are responsible for the “local portion” of Stafford Road, including sanitary sewer and water. Any oversizing can be compensated through SDC credits.
 - b. Eastern Portion of Stafford Road
 - i. Under current City policy, the “local portion” of the east side of Stafford Road will be the responsibility of the developers of Frog Pond East adjacent to Stafford Road.
 - c. Alternative strategies for funding Stafford Road are outlined on page 10.
3. Neighborhood Park
 - a. The cost of the Neighborhood Park is the responsibility of developers within Frog Pond West because the City’s Comprehensive Plan, the Parks and Recreation Master Plan, and the Parks SDC methodology require the cost of neighborhood parks to be the responsibility of the local neighborhood, and not borne by the entire City. Strategies for funding the Neighborhood Park Road are outlined on page 11.
4. Trailhead Park
 - a. The cost of the Trailhead Park is accounted for in the Parks SDC and is included in the Parks and Recreation Master Plan, and so does not require any contribution from developers beyond the standard Parks SDC.

5. Boeckman Trail
 - a. Along with the Trailhead Park, the Boeckman Trail is accounted for in the Parks SDC and is included in the Parks and Recreation Master Plan, and so does not require any contribution from developers beyond the standard Parks SDC.
6. Boeckman Bridge
 - a. Frog Pond West's costs for Boeckman Bridge are allocated based on the neighborhood's traffic demand (average daily trips or ADT). Strategies for funding Boeckman Bridge are outlined on page 12.

Master Plan Infrastructure Funding Strategies

Master Plan infrastructure such as Boeckman and Stafford Roads will need to be improved across many properties, and are likely too large and expensive for any single developer to complete alone. Therefore, in order to realize the goals of the Frog Pond Area Plan and the Master Plan, the City has a role to play in coordinating the provision and funding of that infrastructure. The sections below describe strategies for funding the four projects that either exceed the ability of an individual developer to fund, do not have any identified funding source, or would be only partially funded by known sources. Those four projects are: (1) the northern portion of Boeckman Road; (2) the western portion of Stafford Road; (3) the Neighborhood Park; and (4) Boeckman Bridge.

Overall Preferred Strategy: Establish a Supplemental Fee to Distribute Costs Equitably

As described above, existing City policy would require funding for Master Plan infrastructure to generally be borne by developers. This Funding Plan proposes a variation on that policy in which the funding for specified projects would be: (1) borne by all new development in Frog Pond West through an equitable distribution of the costs on an equivalent dwelling unit (EDU) basis; and (2) collected through a supplemental fee that applies to new development. The supplemental fee will generate funds for three projects: Boeckman Road (including sanitary sewer improvements); Stafford Road (including water and sanitary sewer improvements); and the Neighborhood Park. (The funding for Boeckman Bridge is described further below, and includes a separate, dedicated supplemental fee for the bridge.)

The supplemental fee will create revenue that is fungible for use across different Master Plan infrastructure projects so that the timing of project construction would be as flexible as possible. The supplemental fee is a different funding instrument than a supplemental SDC or reimbursement district fee; however, the City retains the option of using those tools if desired.

Figure 4 below summarizes the Frog Pond West supplemental fee, including associated projects, preliminary cost estimates, and allocation per equivalent dwelling unit (EDU). The City reserves the right to complete additional infrastructure design and engineering analysis, which may result in changes to the cost estimates below.

Figure 4. Frog Pond West Estimated Supplemental Fee: Preliminary Cost Estimates and Allocation

All costs shown assume that projects will be built by the City, and therefore public-sector construction cost estimates are used. Additional notes regarding EDUs and costs are below.

Projects	Total Project Cost Public Sector Construction	Oversize Components (City CIP)	City Share	Net Project Cost to Recover (rounded)	Number of EDUs	Allocation per EDU	Admin Overhead 12.0%	Total Allocation per EDU
Boeckman Rd	3,747,161	122,986	2,026,941	1,597,000	538	2,970	356	3,326
Boeckman Rd sanitary sewer	690,625	265,756	-	425,000	490	870	104	974
Stafford Rd	2,585,548	439,544	-	2,146,000	538	3,990	479	4,469
Stafford Rd sanitary sewer	213,281	20,312	-	193,000	490	390	47	437
Stafford Rd water	365,625	71,094	-	295,000	472	630	76	706
Neighborhood parks	2,407,221	-	-	2,407,000	457	5,270	632	5,902
Total	10,009,461	919,692	2,026,941	7,063,000		14,120	1,694	15,814

EDUs. An EDU is an approximation of the infrastructure demand generated by one dwelling unit, and is useful since EDUs can also be estimated for non-residential (e.g. school, commercial, or industrial) development. In the case of the Neighborhood Park, costs are allocated across 457 EDUs in Frog Pond West, which is 80 percent of the 571 total homes allowed in the Master Plan, and accounts for a potential 20 percent “underbuild.” Assuming that 80 percent or more of the allowed homes in Frog Pond West are built, they will generate adequate supplemental fees for the Neighborhood Park, along with the other Master Plan infrastructure projects. In the case of other infrastructure elements (roads, sewer, water), the proposed school will generate infrastructure demand in addition to demand from residential development. For that infrastructure, the City and project team have estimated school demand (in EDUs) based on comparable past projects, and added this to the housing demand. Therefore, the road, sanitary sewer, and water projects are allocated across a greater number of EDUs.

Notes regarding costs. The cost estimates in Figure 4 assume that projects will be funded via the supplemental fee and built by the City, in the year 2019. These fees may adjust for the time cost of money or other inflationary factors if the projects are built beyond that time horizon. Based on input from third-party engineers and City staff, public-sector construction costs are assumed to be approximately 25 percent higher than private-sector construction costs, and therefore, if any components were to be built by the private sector, it is possible that the costs and the associated fees could be reduced. Cost estimates in Figure 4 include hard (construction) costs, plus external engineering (25 percent of hard costs), contingency (30 percent of hard costs), and city overhead (12 percent of all costs, to account for internal City engineering, finance, and related services). The City’s review indicates that total Frog Pond West development fees (the above supplemental fees plus base City SDCs) are comparable to the total fees that developers are paying in comparable master-planned development areas such as South Cooper Mountain

in Beaverton, and River Terrace in Tigard. The City's current SDCs are \$25,388² for a single-family home (EDU), including streets, sanitary sewer, water, stormwater, and parks, and adjust each year to account for inflation.

Boeckman Road Preferred Funding Strategy

The following strategies were prepared after analysis of various options and coordination meetings with the three major property owners/developers on the north side of Boeckman Road. During these meetings, the City explored multiple options and strategies for funding Boeckman Road, working from the foundation of existing City policy and applying the principle of equitable distribution of costs. The Boeckman Road strategies are:

- The City will lead the construction of the Boeckman Road improvements. This strategy evolved out of meetings with property owners/developers during which they stated the following concerns and challenges about the private sector leading construction of Boeckman Road: (1) existing properties are small, so infrastructure costs (even if reimbursed over time) cannot be easily carried or offset against revenues; (2) borrowing money without certainty of repayment is not possible; and (3) they do not have experience working jointly with adjacent developers, which makes coordination difficult. The property owners/developers stated a preference to pay a higher fee and have the City build the improvements, as opposed to a lower fee and private sector construction.

From the City's perspective, a benefit of City-led construction is that the phasing and timing of the improvements can be determined by the City and is flexible. The City would also retain more control over the project to ensure it complies with the Frog Pond West Master Plan and City standards. In addition, City-led construction translates into greater risk for the City. If development does not take place at the pace expected and therefore revenue from the supplemental fee is less than the amount necessary to construct the projects, the City will carry the cost of construction and financing.

In summary, the preferred strategy is for the City to lead the Boeckman Road improvements. The City retains the option for a private sector lead if circumstances are conducive to it in the future. The additional strategies listed below reflect the City's consideration of the trade-offs described above and the crafting of an approach that will, on balance, work for all parties.

- A preference for fewer phases; the preferred approach is two phases; with options for how phasing occurs. The City prefers that Boeckman Road be built in as few phases as possible. This will minimize disruption and reduce costs. The City's specific preference is for a two-phase approach where two of the three major frontages are built simultaneously. The City realizes that individual projects may need to move ahead, and is open to proposals to improve a single frontage. The City will work with the School District to try to coordinate its frontage improvement with either of the adjacent frontages. The City will also work with the owner/developer of the western-most frontage to coordinate its improvements with the Boeckman Bridge replacement.

² Reflects adopted SDCs as of June 4, 2017. On June 5, 2017, the City Council adopted an updated Transportation SDC of \$11,772 per Single Family home (an increase of \$4077 above the previous SDC).

- City funding for the southern part of Boeckman Road. The City will contribute funds for completion of the southern portion of Boeckman Road, which abuts the Arbor Crossing neighborhood and, under current City policy, would not be the responsibility of Frog Pond West developers. An estimate of this cost is shown as the “City share” of Boeckman Road in Figure 4.
- Equitable distribution and reimbursement of costs. Boeckman Road costs will be distributed equitably to all development in Frog Pond West, as described above.
- Coordination of the western portion of Boeckman Road with the Boeckman Bridge replacement. When the Boeckman Bridge is replaced, the project will extend east to include part of the western-most frontage. The City will strive to coordinate the design for the bridge and the road improvement by whichever project is designed first.
- Funds may be sourced from all applicable fees. For City (or private sector) construction of Boeckman Road, funding will be available from supplemental fee revenue, plus applicable SDCs collected or credited. This will help reduce or eliminate carrying costs associated with the construction of Boeckman Road and sanitary sewer facilities.
- Phase 1 construction may be deferred to a time-certain date. At the discretion of the City, the construction of Boeckman Road may be deferred to a time-certain date or number of completed lots in order to accumulate supplemental fees needed to build the project. For the purposes of this Funding Plan, construction is preliminarily set for 2019. Developers will be required to construct interim improvements necessary to support safe pedestrian, bicycle, and motor vehicle movement prior to the full improvements being completed.
- Development agreements will be the implementing instruments and will be established at the time of annexation. The City plans to create an infrastructure supplemental fee, which will require developers to enter into development agreements as a condition of annexation. These development agreements will require developers to pay the supplemental fee at the time of issuance of a building permit. The development agreement template and infrastructure supplemental fee resolution should be approved by the City Council prior to processing any annexation applications.
- Options for Council Consideration. Based on discussions with the three major property owners on the north side of Boeckman Road and analysis by the City team, the strategies listed above are recommended. The key issues for which there are options are:
 - Option A – City leads construction, with improvements deferred to 2019 or a defined number of lots in order to build up funds. The project team estimates that an issuance of permits of 142 EDUs will be required in order to receive sufficient supplemental fees to cover the City’s costs associated with the north side of Boeckman Road.
 - Option B – City leads construction, with improvements not deferred; Boeckman Road would be constructed early and concurrent with development. This option is not recommended due to the risk of delayed pay-back to the City.

- o Option C – Private sector leads construction, with improvements deferred to 2019 or a defined number of lots in order to build up funds. This option is not recommended, but is available to the Council for consideration.

Stafford Road Preferred Funding Strategy

There are several challenges associated with the construction of Stafford Road. There is no certainty that Frog Pond East will develop in the near future, and the road is currently under county jurisdiction. Frog Pond East is outside the Urban Growth Boundary and is designated “urban reserve,” defined by Metro as land that is suitable for development in the next 50 years. The developer’s portion of Stafford Road infrastructure on the east side would not be required until annexation and development. Likewise, Frog Pond West developers/property owners along Stafford Road are not as advanced in their planning for development as those along Boeckman Road; therefore, this funding strategy cannot be as specific in its recommendations for Stafford Road.

This Funding Plan recommends that Stafford Road be built and funded via a strategy similar to Boeckman Road:

- Preference for the fewest number of phases that are practicable, with interim improvements to be considered at the discretion of the City. Phasing may be tailored to improve the west side of the road prior to the east side. The specific timing of improvements and phasing is to be determined. The City generally intends to build up funds through the collection of the supplemental fee prior to making improvements to Stafford Road.
- Equitable distribution of costs: Stafford Road improvement costs will be included in the Frog Pond West supplemental fee, and supplemental fee revenues will be used to pay for Stafford Road improvements (roadway, sanitary sewer, water).
- Options for the construction of Stafford Road improvements by either the private sector or the City. Private developers who build segments of the road will be reimbursed via the supplemental fee and SDC credits.
- Development agreements will be the implementing instruments and executed at the time of annexation.

Timing of Stafford Road Improvements

Given that the east side of Stafford Road is not within the Urban Growth Boundary (UGB) it is challenging to provide a time certain, or even a target “threshold” of the number of equivalent dwelling units (EDUs) for required permanent improvements to Stafford Road. Decisions by the City that will impact the timing of Stafford Road improvements include but are not limited to the following:

- Completing Boeckman Road in its entirety prior to Stafford Road improvements.
- Acquiring park land for the Neighborhood Park prior to Stafford Road improvements.
- The timing of improvements to the Neighborhood Park.
- Completing Stafford Road improvements in one or possibly two phases.
- The availability of Transportation System Development Charges for the “oversize” portion of Stafford Road.

Decisions by others that will impact the timing and availability of funding for Stafford Road improvements include but are not limited to the following:

- School District siting and timing decision for a school, including the size and equivalent dwelling units determined.
- Location of and timing of development by property owners.
- Pace of development.
- Inclusion of Stafford Road along with the East and South Neighborhoods into the UGB.

Per the estimated development pace shown below, which reflects feedback received from property owners and developers, development of eighty percent (457 EDUs) of Frog Pond West’s homes plus development of a primary school (43 EDUs) is anticipated by year fifteen. The number of EDUs estimated to fully fund the west side of Stafford Road is 186, or 93 EDUs for two separate phases.

Figure 5. Projected number of Equivalent Dwelling Units to Fund Projects and Project Timing

	Estimated Total Project Cost (000s)	Less: City Portion (000s)	Net Project Cost paid with Supplemental Fee (000s)	Number of EDUs to Fully Fund	Cumulative EDUs to Fully Fund	Estimated Year to Construct
Boeckman Road/sewer	4,438	2,416	2,022	143	143	2-5
Neighborhood Park - land	980	-	980	69	212	2-5
Neighborhood Park – improvements	1,427	-	1,427	101	313	6-10
Stafford Road/water/sewer-phase I	1,582	265	1,317	93	406	11-15
Stafford Road/water/sewer-phase II	1,582	265	1,317	93	499	11-15
	10,009	2,946	7,063	499		

Figure 6. Estimated Development Pace

Years	Boeckman Rd frontage	Other	Total	Cumulative
0-5	138	36	174	174
6-10	43	150	193	367
11-15	0	135	135	502
16-20	0	0	0	502*

*Total lots on the two tables above vary due to rounding.

The City could choose to move forward sooner with Stafford Road improvements (west side) under various scenarios, for example: the project is funded from sources other than the infrastructure supplemental fee; the east side is brought within the UGB before year 15; the project is split into more than one phase; or, the Neighborhood Park improvements are deferred or phased.

Neighborhood Park Preferred Funding Strategies

As stated above, both the Trailhead Park and Boeckman Trail are eligible to use Park SDC funding, including SDC credits, because they are considered to be “regional” park facilities pursuant to the City’s

Parks & Recreation Master Plan and SDC methodology. However, the Neighborhood Park is not eligible to use Park SDCs or Park SDC credits as a funding resource.

It is very unlikely that any single developer or group of developers/property owners will have the financial wherewithal to complete the Neighborhood Park project. Moreover, without a funding strategy, the costs of this park—which would be located on one or several properties—would be concentrated, while the benefits would be throughout Frog Pond West. Therefore, as shown in Figure 4, this Funding Plan recommends including the Neighborhood Park acquisition and improvement costs in the Frog Pond West supplemental fee. This will enable the project to move forward while minimizing the impact on funding for parks projects elsewhere in the City. The priorities of acquisition and construction would be as follows:

- Acquire needed land first. Work proactively with the School District (and/or property owners as necessary) to acquire the land. This may require negotiations with the School District to secure the site via a memorandum of understanding (MOU), intergovernmental agreement (IGA), or other agreement.
- Design and complete park improvements next. Consider building the Neighborhood Park when residential build-out reaches a target, such as 50 percent. Work proactively with the School District, developers, and property owners willing and able to make park improvements in exchange for supplemental fee credits.

Development agreements addressing the supplemental fee (including a Neighborhood Park component) would be signed with each property owner at the time of annexation, as described above. Additional development agreements may be necessary in the event that property owners deed land for or make improvements to the Neighborhood Park that would be creditable against supplemental fee payments, or make other contributions to the Neighborhood Park.

Boeckman Bridge Preferred Funding Options

The proposed Boeckman Bridge is a major piece of transportation infrastructure—significantly greater in cost than the other elements discussed above. Frog Pond West should contribute a modest share of funding for the bridge, consistent with the fact that it is expected to generate a small percentage (less than 15 percent) of the transportation demand for the bridge, with the remainder of the demand generated by existing and new development elsewhere in the City. The majority of funding will be generated by citywide sources, possibly urban renewal funds or other sources.

This Frog Pond West share should be generated by a supplemental fee that would be similar to the fee described above, but likely separate and dedicated to the Boeckman Bridge only. The fee associated with Boeckman Bridge is recommended to be separate from the Frog Pond West supplemental fee (for Boeckman and Stafford Roads, and Neighborhood Park) because a funding strategy for Boeckman Bridge has not been finalized. The selected funding for Boeckman Bridge (e.g. Urban Renewal or CIP) may be comingled in ways that are different from the other Master Plan infrastructure, causing potential accounting challenges if there is just one supplemental fee. Citywide and local (Frog Pond West) funding recommendations are described below.

Citywide Funding Share

While the City's funding strategy for Boeckman Bridge is still being refined, the City is currently considering funding a significant share of Boeckman Bridge via urban renewal funds (tax increment financing), that

would be generated by substantially amending the Year 2000 urban renewal area plan (Year 2000 URA) to include the cost of Boeckman Bridge. The City estimates that the Year 2000 URA could generate enough funds to pay for either the entire cost of Boeckman Bridge, or that cost less the cost associated with Frog Pond West. Other funding mechanisms—primarily SDCs/CIP—could be used to supplement URA funds. The City recently updated the Transportation SDC (TSDC) methodology and rate and elected to exclude Boeckman Bridge from the TSDC project list at this time. While the City is pursuing the citywide component of Boeckman Bridge funds through the Year 2000 URA, the funding specifics will continue to be refined for this major piece of transportation infrastructure. This Funding Plan estimates a supplemental fee based on the portion of the cost to construct Boeckman Bridge that is not funded through other revenue sources (the “Unfunded Portion”).

Frog Pond West Share of Unfunded Portion: Boeckman Bridge Supplemental Fee Estimate

Traffic generated by Frog Pond West is expected to make up a modest portion of the total traffic carried by Boeckman Bridge. The average daily trips (ADT) forecast for Boeckman Bridge in 2035 is 12,750. Frog Pond West’s 571 housing units are expected to generate 1,170 ADT over Boeckman Bridge, or 9.2 percent of the total forecast ADT. At 80 percent development, or 457 units, the ADT is expected to amount to 7.3 percent of the total. The school is estimated to generate 645 ADT, or 5.0 percent of the total. In all, the estimated ADT generated by Frog Pond West, at full build out, is 1,815, or 14.3 percent of total forecasted trips.

The current cost estimate for Boeckman Bridge is \$14.0 million. If the City captures a proportional share of bridge funding from Frog Pond West, a separate supplemental fee appears to be the most appropriate tool. The amount to be raised by housing development in Frog Pond West would be 9.2 percent of the total Unfunded Portion, divided equally between 571 units.³ For each \$1 million of “net unfunded” bridge cost (not covered by URA or other citywide sources), the fee would be \$161 (9.2 percent times \$1,000,000 divided by 571 housing units). The actual fee will depend on the Unfunded Portion of Boeckman Bridge, for example:

- If \$2 million unfunded, the fee per EDU would be \$322
- If \$10 million unfunded, the fee per EDU would be \$1,610
- If \$14 million unfunded, the fee per EDU would be \$2,254

The estimated contribution by the School District is approximately five percent of the Unfunded Portion; however, details regarding the District’s precise share have yet to be worked out.

Summary of Strategies and Recommendations

As described above, this Funding Plan provides the following findings and recommendations:

- Frog Pond West will require that a variety of infrastructure—including transportation, sanitary sewer, water, and parks—be built at the local, Master Plan, and off-site levels. Master Plan improvements are the primary focus of this Funding Plan, as they affect multiple property ownerships, are costly, and require a coordinated plan. Such a coordinated strategy will increase all parties’ confidence that the

³ These calculations, including supplemental fee amount, are the same if both development and ADT are reduced to 80 percent of the full build-out values (i.e., 457 units and 7.3 percent of ADT) since a smaller share of traffic impact would be divided among a proportionately smaller number of units. Since transportation analysis was completed assuming full build out, the figure 571 housing units is used here.

Master Plan will be implemented in a timely manner, and equitably allocate major costs across numerous different development sites.

- The primary funding tool recommended for three key Master Plan infrastructure elements—Boeckman Road (including sanitary sewer improvements), Stafford Road (including sanitary sewer and water improvements), and the Neighborhood Park—is a supplemental fee. This fee would be equitably distributed across all residential and school development in Frog Pond West, commensurate with each development’s demand for the infrastructure. The total costs are allocated on the basis of equivalent dwelling units (EDUs) and summarized in Figure 4 above.
- This Funding Plan recommends and assumes that the City will collect supplemental fees and lead the construction of the Boeckman Road and Stafford Road projects. However, it is also possible that developers could build those projects in exchange for credits against supplemental fees and City SDCs; this would also likely result in lower construction costs.
- Boeckman Bridge is considered to be an “off-site” infrastructure element. Frog Pond West will generate a modest share of demand (15 percent or less) for Boeckman Bridge, with other demand coming from elsewhere in the City, and it is costlier than the Master Plan transportation infrastructure described above. The City is continuing to refine the design and funding strategy for Boeckman Bridge, with most of the funding expected to come from a substantial amendment to the Year 2000 URA. The City is also considering other funding mechanisms (primarily SDCs/CIP). This Funding Plan recommends that an additional and separate supplemental fee be charged to Frog Pond West development for the Boeckman Bridge. This supplemental fee amount will depend on the final design and cost of the bridge, and the amount generated by the URA and/or other sources. Based on Frog Pond West’s transportation demand, the estimated supplemental fee is approximately \$161 per \$1 million of cost that is not provided by the URA and/or other sources.



PLANNING COMMISSION

WEDNESDAY, DECEMBER 11, 2024

INFORMATIONAL

6. City Council Action Minutes (November 18, 2024) *(No staff presentation)*

City Council Meeting Action Minutes
November 18, 2024

COUNCILORS PRESENT

Mayor Fitzgerald
Council President Akervall
Councilor Linville
Councilor Berry
Councilor Dunwell

Erika Valentine, Arts & Culture Program Coordinator
Jeanna Troha, Assistant City Manager
Keith Katko, Assistant Finance Director
Marissa Rauthouse, Civil Engineer
Matt Lorenzen, Economic Development Manager
Miranda Bateschell, Planning Director
Zach Weigel, City Engineer
Zoe Mombert, Assistant to the City Manager
Dwight Brashear, Transit Director
Stephanie Davidson, Assistant City Attorney
Kris Ammerman, Parks and Recreation Director
Kerry Rappold, Natural Resources Manager

STAFF PRESENT

Bryan Cosgrove, City Manager
Amanda Guile-Hinman, City Attorney
Amy Pepper, Engineering Manager
Kimberly Veliz, City Recorder

AGENDA ITEM	ACTIONS
WORK SESSION	START: 5:01 p.m.
A. Child Care in Wilsonville	The Council heard the summarized findings of a City of Wilsonville Childcare Provider Consortium. The consortium met periodically to help the City understand the root causes behind the high cost of childcare and the shortage of local providers. Staff shared the results of the childcare survey completed by 180 Wilsonville residents.
B. The Arts, Culture, And Heritage Commission (ACHC) FY 2024/25 Five-Year Action Plan And Annual One-Year Implementation Plan	Staff presented on Resolution No. 3174, which would adopt the ACHC FY 2024/25 five-year action plan and annual one-year implementation plan.
C. DEQ - Clean Water State Revolving Fund (CWSRF)	Staff summarized its work to take advantage of low-interest financing available from the Department of Environmental Quality's (DEQ) Clean Water State Revolving Fund, which could be used to fund two significant scheduled sewer projects in the City's Master Plan – the Boeckman Creek Interceptor Project and the Wastewater Treatment Plant Aeration Basin Project.
D. Capital Improvements Program Amendments	This item was not discussed as it was a placeholder only if Councilors had questions of staff.

REGULAR MEETING

Mayor’s Business

A. Upcoming Meetings

Upcoming meetings were announced by the Mayor as well as the regional meetings she attended on behalf of the City.

B. Boards/Commission Appointments/Reappointments

Budget Committee – Appointment

Appointment of Larisa Manuel Beyer to the Budget Committee for a term beginning 1/1/2025 to 12/31/2027. Passed 5-0.

Budget Committee – Reappointment

Reappointment of Christopher Moore to the Budget Committee for a term beginning 1/1/2025 to 12/31/2027. Passed 5-0.

Development Review Board – Appointment

Appointment of Dana Crocker to the Development Review Board for a term beginning 1/1/2025 to 12/31/2026. Passed 5-0.

Development Review Board – Appointment

Appointment of Janis Sanford to the Development Review Board for a term beginning 1/1/2025 to 12/31/2026. Passed 5-0.

Development Review Board – Reappointment

Reappointment of Rob Candrian to the Development Review Board for a term beginning 1/1/2025 to 12/31/2026. Passed 5-0.

Development Review Board – Reappointment

Reappointment of Jordan Herron to the Development Review Board for a term beginning 1/1/2025 to 12/31/2026. Passed 5-0.

Development Review Board –

Reappointment

Reappointment of John (Clark) Hildum to the Development Review Board for a term beginning 1/1/2025 to 12/31/2026. Passed 5-0.

Development Review Board–

Reappointment

Reappointment of Rachelle Barrett to the Development Review Board for a term beginning 1/1/2025 to 12/31/2026. Passed 5-0.

Development Review Board –

Reappointment

Reappointment of Alice Galloway Neely to the Development Review Board for a term beginning 1/1/2025 to 12/31/2026. Passed 5-0.

Diversity, Equity and Inclusion Committee –

Appointment

Appointment of Anthony Reyes to the Diversity, Equity and Inclusion Committee for a term beginning 1/1/2025 to 12/31/2027. Passed 5-0.

Diversity, Equity and Inclusion Committee –

Appointment

Appointment of Sarah Spoon to the Diversity, Equity and Inclusion Committee for a term beginning 1/1/2025 to 12/31/2027. Passed 5-0.

Diversity, Equity and Inclusion Committee –

Reappointment

Reappointment of Diane Imel to the Diversity, Equity and Inclusion Committee for a term beginning 1/1/2025 to 12/31/2027. Passed 5-0.

Diversity, Equity and Inclusion Committee –

Reappointment

Reappointment of Justin Brown to the Diversity, Equity and Inclusion Committee for a term beginning 1/1/2025 to 12/31/2027. Passed 5-0.

Kitakata Sister City Advisory Board – Appointment

Appointment of Matt Brown to the Kitakata Sister City Advisory Board for a term beginning 1/1/2025 to 12/31/2027. Passed 5-0.

Kitakata Sister City Advisory Board – Appointment

Appointment of Joshua Dalglish to the Kitakata Sister City Advisory Board for a term beginning 1/1/2025 to 12/31/2027. Passed 5-0.

Kitakata Sister City Advisory Board – Reappointment

Reappointment of Samuel Scarpone to the Kitakata Sister City Advisory Board for a term beginning 1/1/2025 to 12/31/2027. Passed 5-0.

Parks & Recreation Advisory Board – Appointment

Appointment of Grace Richards to the Parks & Recreation Advisory Board for a term beginning 1/1/2025 to 12/31/2028. Passed 5-0.

Parks & Recreation Advisory Board – Reappointment

Reappointment of Amanda Harmon to the Parks & Recreation Advisory Board for a term beginning 1/1/2025 to 12/31/2028. Passed 5-0.

Tourism Promotion Committee – Appointment

Appointment of Libby Crawford to the Tourism Promotion Committee for a term beginning 1/1/2025 to 6/30/2025. Passed 5-0.

Tourism Promotion Committee – Appointment

Appointment of Jared Firby to the Tourism Promotion Committee for a term beginning 1/1/2025 to 6/30/2026. Passed 5-0.

Tourism Promotion Committee –

Appointment

Appointment of Noelle Craddock to the Tourism Promotion Committee for a term beginning 1/1/2025 to 6/30/2026. Passed 5-0.

Communications

- A. Wilsonville Historical Society Community Enhancement Program (CEP) Project Update.

The President of the Wilsonville Historical Society shared an update on the progress of a Community Enhancement Program-funded project, the Oral History Video Preservation Project, that digitized and archived dozens of oral history interviews with long-time community stakeholders.

Consent Agenda

- A. **Resolution No. 3030**
A City of Wilsonville Resolution approving the public bid process, accepting the lowest responsible bidder, and awarding a construction contract with Jesse Rodriguez Construction LLC in the amount of \$877,500 for the construction of the Priority 1B Water Distribution Improvements project (Capital Improvement Project 1148).

- B. **Resolution No. 3168**
A Resolution Of The City Of Wilsonville Authorizing The City Manager To Execute A Third Amendment To The Professional Services Agreement With Consor North America, Inc. To Provide Engineering Consulting Services For The Boeckman Creek Interceptor And Trail Project (Capital Improvement Project No. 2107).

- C. **Resolution No. 3174**
A Resolution Of The City Of Wilsonville Adopting The Arts, Culture, And Heritage Commission (ACHC) FY 2024/25 Five-Year Action Plan And Annual One-Year Implementation Plan.

- D. **Resolution No. 3179**
A Resolution Of The City Of Wilsonville Adopting The South Metro Area Regional Transit Public Transportation Agency Safety Plan.

The Consent Agenda was adopted 5-0.

E. **Resolution No. 3180**

A Resolution Of The City Of Wilsonville Approving A Funding Plan Forecast For The Stafford Road Improvements – Phase I (CIP Nos. 1158, 2111, And 4219).

F. Minutes of the September 5, 2024 City Council Meeting.

New Business

A. **Resolution No. 3183**

A Resolution Of The City Of Wilsonville Authorizing The City Manager To Enter Into An Intergovernmental Agreement Between Clackamas County And City Of Wilsonville To Fund City-Led Initiatives Addressing Homelessness.

Resolution No. 3183 was adopted 5-0.

B. **Resolution No. 3121**

A Resolution Of The City Of Wilsonville Adopting The Frog Pond East And South Infrastructure Funding Plan.

Resolution No. 3121 was adopted 5-0.

Continuing Business

A. None.

Public Hearing

A. **Ordinance No. 892**

An Ordinance Of The City Of Wilsonville Adopting Amendments To Chapter 4, Chapter 6, And Chapter 8 Of The Wilsonville City Code To Implement The Frog Pond East And South Master Plan And Make Related Updates To Residential Development Regulations Citywide.

After a public hearing was conducted, Ordinance No. 892 was approved on first reading by a vote of 5-0.

B. **Ordinance No. 896**

An Ordinance Of The City Of Wilsonville Annexing Approximately 9.00 Acres Of Property Located At 7400 SW Frog Pond Lane For Development Of A 28-Lot Residential Subdivision.

Council moved to continue the public hearing for Ordinance Nos. 896 and 897 to a date and time certain of January 6, 2025, at 7:00 p.m.

C. **Ordinance No. 897**

An Ordinance Of The City Of Wilsonville Approving A Zone Map Amendment From The Clackamas County Rural Residential Farm Forest 5-Acre (RRFF-5) Zone To The Residential Neighborhood (RN) Zone On Approximately 9.00 Acres Located At 7400 SW Frog

Pond Lane For Development Of A 28-Lot Residential Subdivision.	
<u>City Manager's Business</u>	The City Manager recommended the audience refer to the City Manager's monthly reports included in the Council packet for comprehensive updates and wished everyone a Happy Thanksgiving.
<u>Legal Business</u>	No report. The continuation of the Executive Session to follow the City Council Meeting.
ADJOURN	10:26 p.m.



PLANNING COMMISSION

WEDNESDAY, DECEMBER 11, 2024

INFORMATIONAL

7. 2025 PC Work Program *(No staff presentation)*

2025 DRAFT PC WORK PROGRAM SCHEDULE

Item 7.

Updated 11/6/2024

AGENDA ITEMS			
Date	Informational	Work Sessions	Public Hearings
JANUARY 8		<ul style="list-style-type: none"> CFEC Parking Wilsonville Industrial Land Readiness (Basalt Creek Code) 	
FEBRUARY 12		<ul style="list-style-type: none"> Climate Action Plan 	
MARCH 12		<ul style="list-style-type: none"> Wilsonville Industrial Land Readiness (Basalt Creek Code) 	
APRIL 9	Annual Housing Report	<ul style="list-style-type: none"> CFEC Parking Housing Our Future 	
MAY 14	•		<ul style="list-style-type: none"> Housing Our Future Wilsonville Industrial Land Readiness (Basalt Creek Code)
JUNE 11		•	<ul style="list-style-type: none"> CFEC Parking
JULY 9		Comprehensive Plan Update (kickoff)	
AUGUST 13			
SEPTEMBER 10	•		•
OCTOBER 8		<ul style="list-style-type: none"> Housing Our Future (actions) 	•
NOVEMBER 12	•		•
DECEMBER 10			•
JAN. 14, 2025			
2025 Projects To Be Scheduled		Future (2026)	
<ul style="list-style-type: none"> Wilsonville Industrial Land Readiness (Phase 2-Citywide) Comprehensive Plan Update Water Distribution System Master Plan 		<ul style="list-style-type: none"> Comprehensive Plan Update Transportation System Plan Update Housing Our Future Implementation 	

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